

Former equerry dies as Klosters avalanche brings tragedy to royal party

Prince Charles' friend killed skiing

By Andrew Morgan, London, and Alan McGregor, Geneva

The Prince of Wales vainly tried to save the life of one of his closest friends yesterday as Major Hugh Lindsay, a former equerry to the Queen, was killed during an avalanche accident near the Swiss resort of Klosters.

Another close friend of the Prince, Mrs Patti Palmer-Tomkinson, was injured.

The Prince and the other members of the royal skiing group, including Mrs Charles Palmer-Tomkinson, a Swiss police officer and local guide, rushed to the couple and tried to dig them out. The Prince wept openly when he realized that the officer was dead.

The accident occurred under the Gotschna mountain, off the piste, in between the Wang and Droschel runs

when an avalanche started above the royal group at about 3pm. A report on Swiss Radio said that there would be an inquiry into the events. An official police announcement said that the party was skiing down the third time "on the open Gotschnawang" when the accident happened.

A spokeswoman at the Klosters tourist office said they "were not on a prepared marked trail".

There were conflicting reports on conditions. The avalanche happened after six hours of blazing sunshine had begun to melt heavy snow which fell earlier this week.

The Swiss Federal Institute for Snow and Avalanches had issued a general notification earlier this week that heavy snowfalls over the weekend had produced conditions with risk of avalanches. But there had been no particular alert relating to the specific area at Klosters. Major Lindsay was the twelfth person killed by an avalanche in the Swiss Alps this winter.

Herr Hans Leu, the manager of the luxury Aba Hotel in Klosters described the day as "the best of the season so far" and said it was bitterly cold and held no hint of possible avalanches.

The group were all said to be wearing electronic "bleepers", in case of an avalanche, which are used to locate people buried under snow. The Swiss guide with them is acknowledged as one of the world's leading experts on Alpine conditions.

When the avalanche struck, all in the group took avoiding action apart from Major Lindsay and Mrs Patti Palmer-Tomkinson, who were submerged under the wall of snow.

Major Lindsay and Mrs Palmer-Tomkinson were taken by helicopter to a hospital at the nearby resort of Davos, where he was found to be dead on arrival. Mrs Palmer-Tomkinson had sustained serious leg injuries.

The Princess of Wales and the Duchess of York, who had a minor fall earlier in the day, were not on the slopes at the time of the accident, but resting at their chalet in the valley of Wolfpurg on the outskirts of Klosters. The royal party immediately made plans to return to Britain.

Major Lindsay, aged 34, was an experienced skier and remained a close friend of both the Prince and Princess of Wales. He regularly accompanied them on their

annual spring skiing holiday to Switzerland.

He was equerry to the Queen from 1983 to 1986, when he returned to his regiment, the 9/12 Royal Lancers.

The Queen and Prince Philip heard the news of the accident while attending a tennis exhibition preview at the Queen's Club in London. The royal couple knew Major Lindsay well and were said to be deeply distressed at his death. His wife, Sarah Brennan, who is pregnant, still works in the Buckingham Palace press office.

The Prince was said to be deeply distraught at the accident. One member of the royal party said: "This is undoubtedly the biggest tragedy of his life since the assassination of Lord Mountbatten by the IRA in 1979."

The accident happened near the spot where Mr Charles Palmer-Tomkinson broke both his legs two years ago and his father died in 1953. Mr Palmer-Tomkinson's brothers, Christopher and Jeremy, are English skiing champions.

The couple's home is in the Hampshire village of Dummer, virtually next door to where Major Ronald Ferguson, the father of the Duchess of York, lives.

Major Ferguson spoke last night of his shock at hearing the news on his car radio as he drove home from work.

"It is the most appalling tragedy and I feel desperately sorry for Major Lindsay's wife."

"I knew Major Lindsay well and he was a good friend. He was a most charming man, extremely good at his job and an excellent soldier. He was well liked by everybody who knew him."

As he arrived home at Dummer Down Farm in his red BMW car, Major Ferguson said he had not spoken to his daughter in Klosters but had heard she was safe and well.

He was not trying to get in touch with her, but had no doubt she would telephone him at home.

Mrs Susan Ferguson, his wife, said: "It is tragic news. Patti and Charles are very close friends of ours and we are waiting anxiously to hear how serious Patti's injuries are."

The couple have three children, two at school at Sherbourne in Dorset. The Wang is regarded as one of the most dangerous ski runs in Europe. Gotschnawang, which is reached by two-stage cable car from Klosters, is best known for its steep bumpy runs and the impossibly steep Gotschnawang. Because of its

Continued on page 22, col 1

Palace staff comfort widow

By David Sapsted

The pregnant wife of Major Hugh Lindsay, a former equerry to the Queen and a close friend of the Prince and Princess of Wales, was being comforted by staff at Buckingham Palace last night.

Major Lindsay, who returned to full-time Army duties in 1986 after three years as equerry, married Miss Sarah Brennan, an assistant press officer at Buckingham Palace, in July last year. The Prince and Princess made a surprise appearance at the wedding.

A friend last night described Major Lindsay, aged 34, as a man full of fun. "He was a career Army officer and a damned good man. He was an excellent skier," he said.

In his time away from his regiment, the 9th/12th Royal Lancers (Prince of Wales's), Major Lindsay played in a seven-man blues band, called Sweatband.

Major Lindsay was commissioned in 1973 and served in Oman, Germany and Northern Ireland. He had been adjutant of his regiment and, before his appointment as equerry, was second in command of a regimental squadron with the British Army of the Rhine (BAOR). He was educated at Millfield School, Somerset.

The major was holidaying in Klosters in 1986 with the Prince and Princess when the then Miss Sarah Ferguson made one of her first appearances with the Royal Family.

Mrs Lindsay, also aged 34, is expecting her baby in May. The couple set up home in Essex after their marriage.

The woman injured in the tragedy, Mrs Patti Palmer-Tomkinson, is a mutual friend of both the Prince and Princess of Wales and the Duke and Duchess of York.

Her husband, Mr Charles Palmer-Tomkinson, farms in Dummer, Hampshire, the home village of the Duchess of York. The couple have often holidayed with the Prince and Princess of Wales at an Alpine chalet.

The Duchess of York's stepmother, Mrs Sarah Ferguson, said at the family home in Dummer last night: "It is tragic news. They are very close friends of ours and we are waiting anxiously to hear how serious Patti's injuries are."



Above: Major Hugh Lindsay, the former Equerry to the Queen, who was killed at Klosters yesterday, with his wife Sarah at Royal Ascot last year. Below left: this week's picture on the ski slopes of the Prince and Princess of Wales with the Duchess of York. Below right: their close friend, Mrs Charles Palmer Tomkinson, who broke her leg in the avalanche.

Thatcher challenged on 'clash' over £

By Robin Oakley, Political Editor

Mr Neil Kinnock leapt in yesterday to exploit the apparently growing differences between Mrs Margaret Thatcher and Mr Nigel Lawson, claiming they were in "fundamental disagreement and confusion" over the conduct of economic policy.

The Government has been embarrassed by the clear difference of line between the Prime Minister and the Chancellor of the Exchequer on the eve of the Budget.

While the Chancellor is said by Conservative MPs to be convinced of the value of a "managed float" of leading currencies with some

intervention to regulate the market, Mrs Thatcher has been insisting in the Commons this week on allowing the full blast of market forces to operate.

She has in effect overruled the Chancellor by insisting that there can be no strong intervention in foreign exchange.

Parliament. The change markets by the Bank of England and by ruling out cuts in interest rates at least for the moment.

Yesterday the Labour leader, leaning heavily on an article in the Financial Times

by Mr Samuel Brittan, sought to exploit the differences by challenging Mrs Thatcher to agree with the Chancellor's comment in an interview on December 9 that "keeping the pound in line with the Deutschmark is likely to be, over the medium term, a pretty good anti-inflationary discipline".

That comment implied an exchange rate target for the pound and a willingness to indulge in some management of the currency.

But Mrs Thatcher, who has differed from her Chancellor for some time over whether Britain should join the Euro-

pean Monetary System - she says that it is not yet the right time - is against any exchange rate targets which could inhibit the Government's freedom of manoeuvre.

The Cabinet's economic committee discussed the matter yesterday and in the Commons, responding to Mr Kinnock's challenge, Mrs Thatcher said: "The Chancellor and I are absolutely agreed that the paramount objective is to keep inflation down and the Chancellor has never said that aiming for greater exchange rate stability means total immobility."

Continued on page 22, col 7

Lord Spens faces Guinness charges

By Stewart Tendler, Crime Reporter

Lord Spens, the former merchant banker, was yesterday arrested by detectives investigating the Guinness affair and charged with four counts involving the purchase of more than two million shares.

Lord Spens, the fifth City figure to be arrested as a result of the investigation, was released on police bail and will



Lord Spens: arrested by fraud squad detectives.

appear at Bow Street Magistrates' Court, central London, today.

The charges relate to the purchase of Guinness shares by the merchant bank, Henry Ansbacher, where Lord Spens was head of corporate finance, in 1986, and allege a conspiracy to create a false market in shares, false accounting, and unlawful support in share dealing.

Lord Spens, aged 45, was arrested at his home at Gould, Kent, at 9am and taken to Holborn police station.

The four men already facing charges are Ernest Saunders, the former Guinness chairman; Roger Seelig, former director of Morgan Grenfell; Sir Jack Lyons, and Mr Gerald Ronson, head of the Heron Corporation. In the United States, Mr Antony Parnes, a City stockbroker, is fighting an attempt to extradite him to Britain.

Waldheim apology for Austria

From Richard Bassett Vienna

President Waldheim of Austria apologized last night for crimes committed by Austrian Nazis during the war.

In an emotional television broadcast, Dr Waldheim denied accusations that Austria as a nation could be blamed for the events of 50 years ago.

"Of course there is no such thing as collective guilt," he said. He added: "Nevertheless, I should like to apologize deeply for Nazi crimes committed by Austrians."

Dr Waldheim was speaking to the nation following threats by two Socialist ministers to boycott today's official ceremonies - commemorating the 50th anniversary of the Nazi annexation of Austria - if the President exercised his traditional prerogative of giving an address.

SOE man's fate, page 8

Security alert for bombers' funerals

By Richard Ford, Belfast, Richard Wigg, Gibraltar, Harry Debellus, Madrid, and Tony Dawe

A huge security operation was being planned on both sides of the Irish border last night to prepare for the return tomorrow of the bodies of the three IRA terrorists shot dead in Gibraltar by the SAS.

The Royal Ulster Constabulary and the Garda are expecting the IRA to orchestrate three days of demonstrations beginning in Dublin tomorrow, when the bodies will arrive aboard a direct scheduled flight from Málaga, in southern Spain.

Police and security forces in Britain are also on the alert during what officers describe as a "high-risk period" when the IRA will be seeking to strike at key targets.

The tension in Ireland was increased by claims in Republican News, a Provisional IRA propaganda sheet, that the terrorists were "dedicated soldiers in a people's army with

limited resources, and totally dependent for succour and moral support on the Irish working class."

Plans for Monday's funerals in Belfast, which the IRA is certain to attempt to turn into a paramilitary occasion, were going ahead yesterday after a relative of one of the dead and a Sinn Féin official visited Gibraltar.

Mr Terrence Farrell, the brother of Mairead Farrell, the woman who led the IRA unit, and Mr Joe Austin identified the bodies in the Royal Naval Hospital mortuary.

They insisted that the bodies should not touch down on British soil, so they will be driven to Málaga airport for the flight to Dublin.

The Spanish authorities sifted through details of 89,000 Britons living in Spain to determine whether any of them might be a target

Expenses 'fiddle' cost MoD millions of pounds

By Martin Fletcher Political Reporter

The Ministry of Defence was admonished in the strongest terms yesterday for failing to take disciplinary action after the discovery of expenses fiddles costing millions of pounds.

The all-party Commons Public Accounts Committee said it was astonished the ministry had taken no action against either the civilian personnel who made the fraudulent claims or the officers who connived in the racket.

Rejecting the ministry's excuses, the MPs described its inertia as "extremely serious and disturbing". Government departments should maintain effective controls to prevent fraud, and should mount a prompt

investigation where these fail so that legal action can be taken.

"We consider vigorous action particularly vital when the observance of expected public standards rests on the truthfulness of the claimant and the integrity of his supervisors."

The fraudulent travel and subsistence claims were submitted by 90 civilian ordnance searchers whose job is to scout ranges for live explosives. An MoD police investigation had established that between June and September 1984 the fraud amounted to £203,416, but the committee concluded that the cumulative cost of the fraud over several years would have been "millions rather than hundreds of thousands of pounds".

The ministry sent the most clear cut

cases to the Director of Public Prosecutions who decided early in 1986 that criminal proceedings could not be sustained. The ministry then consulted the Treasury solicitor and by October 1986 was ready to press disciplinary charges.

At that point a senior officer questioned whether the cases were strong enough, and whether it was worth the amount of time and effort involved.

The lapse of time would make it difficult to corroborate evidence, and the ministry's case would be further weakened by the failure of military officers to deter the claims.

Without consulting ministers, it was decided to drop all action and instead warn the searchers.

The committee said the DPP's conclusion on criminal charges was

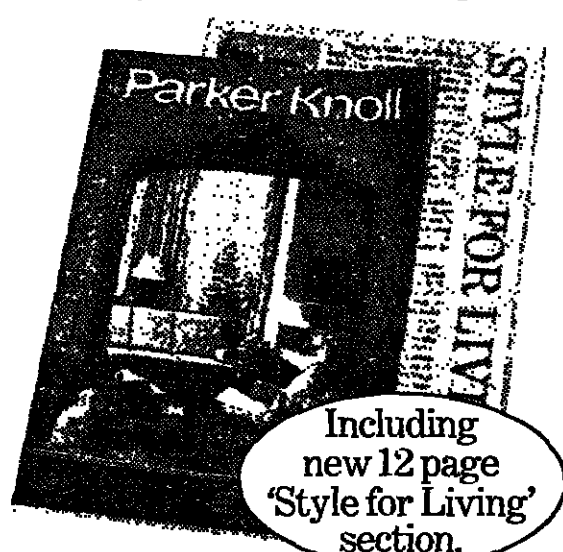
"no real bar to the MoD taking internal disciplinary action... in view of the fact that rules had clearly been broken and duties neglected."

"Nor do we consider that the time and effort involved in disciplinary action are acceptable reasons for not pursuing it in a case of such wholesale departure from the standards expected of public officials."

The Government sought yesterday to quell the outcry caused by Wednesday's disclosure that nearly a half of the £8.2 billion annual defence procurement budget is consumed each year in "unforseen costs". Lord Trevelyan, Procurement minister at the Ministry of Defence, said urgent remedial steps had been taken. Committee of Public Accounts: Ministry of Defence: Fraudulent Expenses Claims (Stationery Office, £3.20).

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NEWS ROUNDUP

Younger brother of Bee Gees dies

Andy Gibb, the younger brother of the Bee Gees pop group, died yesterday five days after his thirtieth birthday. He was admitted to hospital suffering from stomach pains earlier this week.

Thames Valley Police said that Mr Gibb died at the John Radcliffe Hospital, Oxford, and that the cause of his death had not yet been confirmed. A post-mortem examination is being held today.

A pop singer in his own right, Andy Gibb never lived up to the promise of his older brothers, Maurice, Barry and Robin, who created one of the top groups of the 1970s. He was almost penniless and had appeared before a bankruptcy hearing in Florida last autumn.

In an interview after his dismissal from a job on an American television show, he said that he had had a nervous breakdown combined with a drug habit. "I gave up on everything and was on cocaine for a month, spending money to the point of financial crisis."

Obituary, page 16

LWT will Saboteurs hold talks convicted

The production unions have agreed to meet London Weekend Television management to discuss proposals for radical changes in working practices.

The proposals are believed to include the loss of up to 200 staff.

The meeting will be on March 22 with the Association of Cinematographers, Television and Allied Technicians, the Electrical, Electronic, Telecommunication and Plumbing Union and the Broadcasting and Entertainment Trades Alliance, the studio staff union.

Student politics plea

A right-wing Conservative group launched a national campaign yesterday to prevent student unions giving money to extremist political organizations.

The Monday Club Students Group wants its members to take action to prevent student union funds being used to support causes which it claims have nothing to do with students. It is issuing guidelines on how to prevent payments by taking out a High Court injunction if necessary.

The move comes after a court ruling last November in which Mr Adrian Gray, aged 31, a chemistry student at Brunel University, Uxbridge, west London, won an injunction banning his student union from giving money to the campaign against the Abortion Bill.

Soldiers in Red Devil fatal crash killed

An Army investigation was started yesterday into the death of two soldiers and the injury of four others when a Land-Rover crashed during a training exercise.

The accident happened as the six servicemen from the Royal Electrical and Mechanical Engineers, stationed at North Tidworth, Wiltshire, were travelling along a road across training ground near Sennybridge, Powys.

The dead men were named as Sergeant Ian Hunter, aged 38, and Staff Sergeant Paul Gregg, aged 32. The Army said no other vehicle was involved.

Pirate radio charges

Seven people accused of helping to keep two pirate radio stations on the air were sent for trial at Maidstone Crown Court by Sittingbourne magistrates in Kent yesterday.

But three charges against *Time Out*, the magazine, were withdrawn. It had been accused of illegally publishing details of programmes on Laser 558 and Radio Caroline.

Jews send dossier on prize winner

By Clifford Longley, Religious Affairs Editor

Documentary evidence in support of allegations against Dr Inamullah Khan, the winner of the £200,000 Templeton Prize for Religion this year, is expected to be sent to the panel of judges.

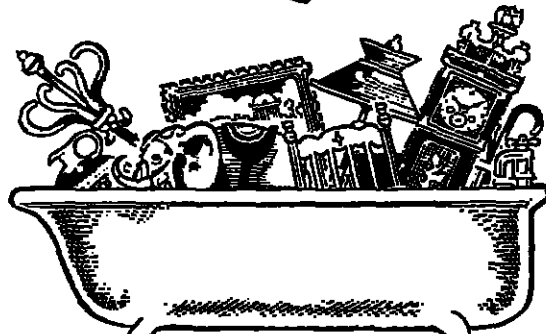
Details of the allegations of right wing links and anti-Semitism were passed yesterday by the Board of Deputies of British Jews to the Nassau headquarters of Sir

John Templeton, the head of the Templeton Foundation, with a demand that the award be "reconsidered".

The judges for the world's largest annual prize include the Prince of Wales, Sir Geoffrey Howe, the Foreign Secretary, the Duke of Norfolk, and the Archbishop of York, Dr John Habgood.

In a letter to the Templeton Foundation, Mr Hyam Pinner, the secretary general of the Board of Deputies, said that the World Muslim Congress, of which Dr Khan is director, financed and distributed anti-Jewish books written by William Grunsted, a former high ranking member of the American Nazi Party.

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Watchdogs expose Whitehall's wasteful ways

By George Hill

This week's three reprimands for the Ministry of Defence on public spending watchdogs are only the most recent of a steady flow of cases of wasted spending.

Yesterday's rebuke from the Commons Public Accounts Committee for having taken no action against a £203,000 expenses racket involving 90 civilian ordnance searchers, with the connivance of officers concerned, came shortly after a report from the National Audit Office expressing scepticism about the £96 million predicted savings over the transfer of the Royal Dockyards to commercial management, and the disclosure that nearly half the £8 million spent annually on defence procurement is consumed in "unforeseen costs".

In the few months since Parliament resumed after the summer recess, the Public Accounts Committee and the National Audit Office have identified hundreds of millions of pounds wasted or di-

verted from their intended purpose, promised savings which failed to materialize and losses written off after fraud or mismanagement.

The Ministry of Defence has let £144,650,000 slip through its fingers. Other departments have lost £1,387 million, it has been reported in the past few months.

Even these sums appear minor beside the £6,900 million worth of land which the MoD holds on to in spite of it being "significantly under-used", according to a report by the Comptroller and Auditor General last May. Another £25 billion of property, retained by local government up and down the country, was said by the Audit Commission last month to be surplus to their needs.

Last week the Public Accounts Committee accused the Department of Transport of lacking "commitment, energy and drive" in its efforts to prevent damage of more than £600 million a year inflicted on Britain's roads by heavy lorries,

up to 20 per cent of which are overloaded.

Last month the committee accused the Department of Health and Social Security of having failed to recover £87 million in overpaid benefits, and estimated that overpayments could amount to at least £55 million every year. The department does not even keep central records of the level of incorrect payments, which the committee said were essential.

Mr Paul Channon, Secretary of State for Transport, claimed last month that county councils had diverted £148 million intended for roads into other projects.

A team of 40 from the Ministry of Defence's police has been investigating contracts worth £3.5 billion, placed with GEC/Marconi over the past 10 years. A number of defence contractors have paid back £30 million in recent months to the MoD for "unjustified charges", including at least 15 cases in which contractors had "manifestly failed"

to provide correct information. During the past three years, 27 cases of potential fraud have been passed by the MoD to its serious crimes squad, compared to nine in the previous eight years.

In January the National Audit Office said the cost of keeping British troops in West Germany could be cut by millions through efficiency: savings and policy changes. The direct costs of keeping the troops in Germany are £255 million annually, but additional costs connected with their dependents are four times as great.

The Home Office reduced revenues to the Exchequer by £19 million last year by introducing a new system of levies from independent television companies without any analysis of the effect of the change on revenues. There was a significant risk that the losses would be repeated, Mr John Bourn, the new Comptroller and Auditor General, said in January.

It was revealed earlier this year

that the Ministry of Defence paid an arms dealer £450,000 after it cancelled a contract to sell him 2,000 Browning pistols, worth about £200 each, at £7 each.

In December the Public Accounts Committee returned to the MoD's "long and trivial dispute" with the Department of Health and Social Security, by which MoD hospitals are under-used and have surplus staff at a cost of £12 million a year while national health waiting lists rise.

The National Health Service, too, was censured in November, for wasting up to £40 million a year by under-using operating theatres. It agreed, though, that running the theatres at capacity would cause health authorities severe budgeting problems.

Local education authorities were criticized in November for losing £430 million by failing to reduce teacher numbers fast enough to keep up with the reduction in school rolls.

Dockyards management change-over was 'flawed'

By Martin Fletcher, Political Reporter

Flaws in the Government's justification for last year's introduction of commercial management at the two royal dockyards were exposed in a report yesterday by the National Audit Office.

The findings brought an angry reaction from opposition MPs, especially as the scheme was bitterly opposed at the time.

The audit office report expressed deep scepticism about the Government's projected savings of £96 million over seven years from the change at the yards, Devonport in Plymouth and Rosyth in Fife, particularly as the Royal Navy had severely cut back on refits and other work.

It suggested that the Ministry of Defence had failed to take into account preparatory costs totalling many millions of pounds when it put the case for commercial management.

It also disclosed there was near chaos around vesting day, the change over, last April.

MPs on the Commons public accounts committee intend to grill ministry officials next week on the report's findings.

Plans to introduce commercial management were strenuously opposed by a wide group.

Yesterday Dr David Owen, Social Democratic Party leader, and MP for Plymouth Devonport, said the report was "devastating" and vindicated all earlier criticism.

Dr Owen said the Commons had been consistently conned by government ministers claiming bogus cost savings, that the commercial managers had been led up the garden path to tender for non-existent work, and that the long-suffering workforces had been treated even more shabbily than appeared at the time.

It was "a monstrous saga of managerial ineptitude in the MoD".

Mr Martin O'Neill, Opposition defence spokesman, said: "Our worst fears have been confirmed. When considering the legislation we said the objectives were totally unrealistic but we didn't appreciate at the time what shipboard accountancy practices the MoD was using."

Mr Jack Dromey, national secretary of the Transport and General Workers' Union, who led the campaign against commercial management, said the report confirmed his repeated predictions that the true costs had been underestimated and the expected savings over-estimated.

The audit office report concluded that there was "considerable doubt" over whether estimated savings of £96 million could be achieved at the Rosyth and Devonport dockyards unless the commercial managers achieved greater improvements in efficiency than originally expected.

Given that they had to do so against a background of significant reductions in work sent to the yards by the Navy and with commercial orders in short supply it was a "formidable task".

The report seriously questioned the costings on which the ministry supported its decision to bring in commercial management.

The costings failed to take into account bills totalling £28 million incurred by the Ministry of Defence in preparing the yards for commercial management; wide discrepancies in the costs allocated to the use of ministry assets; and the loss of efficiency in the yards themselves as they were prepared for a "privatization" to which the workforce was deeply hostile.

On the change over day various control systems were not in place, commercial managers had too little time working alongside the former MoD managers, experienced staff had been taken away to work on other programmes such as Trident, records of work in progress were incomplete, and large quantities of ministry material in the yards were unaccounted for.

National Audit Office, Ministry of Defence, Transfer of the Royal Dockyards to Commercial Management (Stationery Office; £4.10).

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Hostage is reunited with family



Mr Peter Coleridge, the Oxford relief worker who was held hostage for six days in the Lebanon, reunited with his wife, Angela, and children, Jessie, aged 12 (right), Sarah, aged 11, and Edward, aged five, after they were reunited at Heathrow Airport yesterday. Mr Cole-

ridge said: "It was thoughts of my family which kept me going." He was held with Mr Omar Traboulsi, the Syrian-born head of Oxford's Beirut office, by armed Palestinians after taking photographs of a refugee camp. Mr Coleridge said: "I was aware that I was arguing for my life."

If they were in any way not convinced, it would not have turned out as well as it has. The ordeal had given him an insight into what hostages such as Mr Terry Waite were suffering.

(Photograph: Chris Harris)

Baker opposes Tory move on caning

By Nicholas Wood, Political Correspondent

A move by Tory backbenchers to reintroduce corporal punishment in state schools is being vigorously opposed by Mr Kenneth Baker, Secretary of State for Education and Science.

He is mobilizing the Government's parliamentary forces. It is understood that the payroll vote of ministers and parliamentary private secretaries, their unpaid Commons linkmen, will be called out to defeat attempts to restore the cane later this month in the report stage of the Education Reform Bill.

Some senior Tory backbenchers were also predicting a three-line whip to ensure a government victory.

The Government is facing some embarrassment on a second front with Mr Timothy Janman, Tory MP for Thurrock, leading a campaign to outlaw the so-called closed

shop enjoyed by the National Union of Students, an arrangement that ministers show no signs of wishing to disturb as they seek to push through their educational reforms.

The rebels, led by Mr James Pawsey and Mr Harry Greenway, members of the Conservative backbench education committee, are planning an appeal to the Prime Minister in an attempt to persuade her to overrule Mr Baker.

The rebels say they already have about 40 committed supporters, but they accept that they stand no prospect of success against the combined strength of the Government and the Labour Party, which is implacably opposed to caning.

Mr Pawsey, MP for Rugby and Kenilworth, said yesterday that the beneficial changes proposed by the

Government would amount to little unless they could ensure that the "essential framework of discipline" was present in schools.

However, Mr Robert Key, Conservative MP for Salisbury and a prime mover in the abolition of caning by just one vote nearly two years ago, said he was becoming more convinced of the irrelevance of corporal punishment.

Mr Greenway, MP for Ealing North and a London deputy headmaster for 23 years, has put down a clause calling for the restoration of caning for "offences of gross indiscipline".

Both his wording and that advanced by Mr Pawsey seek to circumvent a European Court of Human Rights ruling against corporal punishment in 1982 by making it clear that a decision to administer corporal punishment must be

taken in consultation with parents.

Disciplinary proceedings against four teachers at an East Sussex school who are offering pupils Scottish O grade as an alternative to the General Certificate of Secondary Education were dropped yesterday.

The teachers have been told that they must not tell parents of their misgivings about GCSE, according to a statement issued by their headmaster, Mr Keith Chaplin, at Lewes Priory School.

They can continue teaching the Scottish O grade, but only privately.

Parents were given permission by a High Court judge in London yesterday to challenge the planned closure of "the best school in Bedfordshire", Pilgrim Upper School, Bedford.

MPs renew call for £1bn NHS boost

By Martin Fletcher, Political Reporter

A Tory-controlled committee of MPs yesterday stepped up its campaign to persuade the Government to devote massive extra resources to the National Health Service.

Stung by last week's abrupt dismissal of its recommendations by both the Prime Minister and Mr John Moore, the Secretary of State for Health and Social Services, the Social Services committee took the rare step of issuing a special report to counter criticism of its work.

Mr Frank Field, the committee's Labour chairman, said: "We are dealing with a

very serious subject. We issued a serious report and we want a serious response."

The committee's original report was produced after a short but intensive inquiry which took evidence from the presidents of the three royal medical colleges, doctors, health authorities, independent experts and government officials.

It secured the wholehearted support of the committee's six Tory MPs, and its central recommendation was for an extra £1 billion for the health service over the next two years to make up for cumulative

underfunding since 1981, which the MPs estimated at £1.8 billion.

Both Mrs Thatcher and Mr Moore dismissed that figure as "arbitrary", but in its report yesterday the committee said the only arbitrary aspect of its recommendation was that it was less than the £1.8 billion shortfall identified.

The committee had opted to ask for "a relatively modest sum" to be spent specifically on maintaining property and equipment, developing care in the community and installing the information technology

that was essential for monitoring performance.

The committee also accused Mrs Thatcher of having "misinterpreted" another of its central recommendations. It said it had not called for an advance government commitment to funding in full whatever pay awards the review bodies might recommend; it had merely wanted funding for whatever pay settlement the Government accepted.

The committee urged the Government to reconsider its "over-hasty rejection of our recommendations".

£40,000 tax bill for friendly butchers

By Michael Horsnell

For 39 years Donald and Dennis Tucker, village butchers, trimmed the fat from the meat before weighing it, delivered it free to whoever asked, charged much less than their rivals and cut their prices still further for pensioners.

Now they must pay £40,000 to the Inland Revenue which refuses to believe their profits were so small.

The tax men say the average profit for a butcher is 18 per cent and that the brothers' 12 per cent figure cannot be true.

When they retired in 1985 from the cottage business they took over from their parents, the twins were paying themselves £40 a week each. Although they had not been able to afford a holiday from their 100-hour a week jobs, they rejoiced in the reward of a sideboard full of presents from grateful customers in Wedmore, Somerset.

The Inland Revenue is demanding extra tax of £16,000 from 14 years' trading plus interest and penalty charges because it says the twins, aged 68, could not have made fair returns.

Each must pay a first instalment of £13,000 by the end of May, which will wipe out their life savings.

Mr Donald Tucker, who lives with his wife Mavis and daughter Janette, said: "We charged less because it was our nature to want to provide a service rather than make a lot of money. We tried to give people a fair deal and help where we could. We have been thoroughly accurate in our tax returns and honest because that is right and proper."

Mr Tucker, who performed charity work for the blind and elderly for 20 years, and his brother recently lost a tax tribunal hearing in Weston-super-Mare.

Mr David Heathcoat-Amory, their constituency Conservative MP, who promised to help, says that an Inland Revenue review has been ruled out.

Mr Tucker said: "I feel shattered. I worked for nearly 40 years after leaving the Army. The trouble is these tax people are like a brick wall. They have no figures to substantiate their claim. Our only misdemeanour was that we sold our meat too cheaply."

Mrs Suzanne Mettlers, JP, a former customer, said: "Villagers feel strongly that this is very unjust. The quality of their meat was excellent and much cheaper than elsewhere. It is pathetic how the Inland Revenue can do this to people. The worry for these brothers must be awful."

The Inland Revenue said: "We don't talk about individual cases".

Rail strike illegal

A High Court judge has ordered six branch officials of Aslef, the train drivers' union, to obey their national officers and call off a proposed 24-hour strike at King's Cross, London, next Monday.

Mr Justice McKinnon granted orders to British Rail requiring the officials to withdraw their instructions to

strike forthwith. He also granted an order which prevents them from issuing further instructions to call strike action next week.

The Aslef officials at King's Cross asked the stoppage in support of the National Health Service at a branch meeting last Monday.

"EXTRAORDINARY...A REAL PLEASURE"

"DELIGHTFUL...THE BEST COMEDY IN YEARS"

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Lords cancel award to blind boy in test of medical liability

By Frances Gibb, Legal Affairs Correspondent

A woman who has fought for nearly 10 years to win damages for her son who was virtually blinded at birth lost her £116,000 award yesterday when the House of Lords ruled that she must go back to the High Court to restart legal proceedings.

In an important test judgement which had been keenly awaited by the medical profession, five lords unanimously agreed that the Health Authority had been negligent when a doctor failed to see that a catheter had been wrongly inserted in the baby.

But, in overturning the Court of Appeal's finding in favour of the mother last year, the law lords said the lower courts had been wrong in holding the authority liable for damages.

The original trial judge had misdirected himself on the law and had not given his view as to whether this negligence "caused or materially contributed" to the boy's near-blindness, an issue which experts were "radically in dispute".

The ruling means that Mrs Heather Wisler, aged 32, who started legal proceedings when her son - now aged nine - was only a few months old, would have to go back to the High Court to prove this causal link. If unsuccessful, she will not then be awarded any damages even though negligence is accepted.

Lord Bridge of Harwich, giving the lead judgement, said that to have to order a retrial was "a highly unsatisfactory result."

"One cannot help feeling the profoundest sympathy for Martin and his family that the outcome is once again in doubt and that this litigation may have to drag on."

"Many may feel that such a result serves only to highlight the shortcomings of a system in which the victim of some grievous misfortune will recover substantial compensation or none at all according to the unpredictable hazards of the forensic process."

But, like it or not, the law, which only Parliament could change, required proof of fault causing damage as the basis of a claim of this kind, he said.

Afterwards, Mrs Wisler, of Chingford, Essex, who is on legal aid, said she felt "exhausted" that after more than nine years, the case had not yet been settled and could remain unsettled for another three years. "At every stage I have had to adjust my mind to the next appeal and at the moment I can't even think about another trial."

Mrs Wisler, who has two other children, aged eight and four, said she would not give up. If she finally won damages, it would go into a trust for her son.

"He will have it when he is 18 to help him become independent from the family. He may not get a job because he can't see, can't ride a bike, and won't be able to drive."

The case has been a test judgement on "causation" in medical negligence cases. It is certain to be welcomed by the

medical defence bodies who had feared that if the Court of Appeal's decision stood, it would be far more difficult to defend medical negligence claims.

However, Mr John Finch, director of the Centre for Health Care Law at Leicester University, said that the case raised the whole question of how precisely an injured patient had to pinpoint blame to succeed in a claim.

The ruling showed such a patient was not allowed simply to fire "grapeshot", and to succeed in a claim on causation of damage if one target was hit.

But to "target" blame specifically could be very difficult. "Given the complexities of medical knowledge, does it mean they have to hit a bulls-eye to everyone's satisfaction?"

He said that the "narrow" approach which the law lords were obliged to adopt left up in the air a number of key issues raised by the case. These included what liability relatively junior doctors have, and the question of suing health authorities direct instead of via the doctor.

Mr Finch said: "I am convinced of the need for health authorities and hospitals to look to systematic preventative help from lawyers and others before things go wrong at all, rather than trying to assess their legal responsibilities from single judicial decisions."

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The Cutty Sark chorus



Tim Yealand, who plays Billy Budd in the English National Opera production at the London Coliseum, leading a chorus from Christ's College, Hendon, north-west London, during a workshop on the deck of the Cutty Sark at Greenwich, south-east London, yesterday. The session included practical workshops in maritime skills (Photograph: Peter Trivelpiece).

Inquiry told of suspicious man near Tube fire

By Rodney Cowton, Transport Correspondent

The inquiry into the King's Cross London Underground fire disaster was yesterday told of the "disturbed look" on the face of a mysterious, unidentified man in blue overalls.

Three witnesses described having seen him shortly before the fire, which killed 31 people, was discovered. He was near a trap-door leading into a machine room at the foot of the escalator on which the inferno began.

There has so far been no explanation of what this man was doing. His presence has led London Regional Transport to say that arson cannot be ruled out.

Mr Ilfay Mehmet, of Paddington, west London, said he saw a man in dark overalls "going underneath the ground".

The man caught his eye, "I don't know why he did. The disturbed look on his face told me that everything was not as it seemed", Mr Mehmet said.

Mr Dennis Hills, a part-time cleaner at the station, described seeing a man beside the trap-door close to the wall.

"I heard a clang and the man walked away. For some reason I thought he was up to something. He may have looked up and seen me in my overalls with my London Transport symbol on it, and in my opinion he moved away very quickly."

Mr Paul Lane of Wood Green, north London, told how he walked past the foot of the Piccadilly Line escalators at about 7.20pm on the night of the fire. He noticed an open inspection cover at the bottom of the escalator and saw a man standing in the access aperture

of the trap door, probably on a ladder, visible from about a foot above the waist.

"My impression was that he had come from the chamber and was about to go back down."

Mr Lane said the man had black hair, flecked with grey, and combed back. He had "quite a heavy jaw" as if he had not shaved for a couple of days. He was about five feet ten inches tall and white, and seemed to be wearing overalls of a "mid blue colour".

There has been some suggestion that the man in the blue overalls may have been a legitimate London Underground employee.

Mr Lane said he had been visited by two police officers with another person, understood to have been Mr Christopher Heyes, who was on duty as a London Underground inspector on the night of the fire, and was asked if this was the person he had seen in the blue overalls. Mr Lane had replied: "Definitely not".

Mr Arthur Barrett, a train driver on the Victoria Line, told the hearing that his train drew up at the platform at King's Cross during the fire. Three times before opening the doors he announced that the doors were going to open but passengers must not get off because the station was being cleared.

Mr Barrett agreed that in order to make people on the platform hurry on board he said over the public address system that there were "No reservations on this train". People were looking for seats and taking far too long.

The inquiry continues.

Aids suspected in 600 'excess' deaths

By Thomson Prentice, Science Correspondent

Hundreds more people in Britain may have been killed by the Aids virus than the official figures show, according to research published yesterday.

The detective work of a government health statistician has uncovered almost 600 "excess" deaths in which there was a possible link with infection of the individual by the human immunodeficiency virus (HIV). Those are in addition to the 749 Aids deaths so far reported to the Department of Health and Social Security since 1982 when the first cases were identified in Britain.

A study by Dr Anna McCormick of the Office of Population Censuses and Surveys, published at an international Aids conference in London, shows that since then there have been 887 more deaths than would be usually expected statistically among men aged between 19 and 54 years, the age group in which almost all Aids cases occur.

Only 290 of those fatalities were recorded as being due to Aids, but the others had

Three quarters of the people infected with HIV, the human immunodeficiency virus, will go on to develop Aids or a related condition, according to the latest medical study of the development of the illness (Pearce Wright writes).

Doctors who carried out the study report in today's issue of the *British Medical Journal* that conversion from infection to full-blown Aids should be regarded "as the norm rather than the exception".

They say that use of the symptoms of a wide range of illnesses which can be caused by the HIV infection. "It is suggested that at least some of these deaths were caused by Aids, but either the correct cause was not diagnosed or the doctor did not state Aids as the cause of death", Dr McCormick said.

She emphasized that the findings were tentative and that some of the deaths might be unrelated to the virus. However, she pointed out that about 90 per cent of them were among men who had never married, compared with about 85 per cent of the total number of Aids cases which

involved homosexual or bisexual men. "I don't know of any other reasons why deaths in this group of men are going up."

One possibility suggested by the findings is that many more people die from HIV infection without developing full-blown Aids than has been considered previously. Another possibility is that in some cases doctors have deliberately camouflaged an Aids death to protect the feelings of relatives.

Dr McCormick's results are being studied by experts at the DHSS and are likely to lead to

improvements in the national Aids reporting system.

The conference was also told that an Aids vaccine might not be available for 10 or more years because of "almost unsurmountable" scientific problems.

Professor Arie Zuckerman of the London School of Hygiene and Tropical Medicine, said: "I can find no cause for optimism. All of the candidate Aids vaccines tested so far have proved disappointing. The hopes of the scientific community and the public at large have been raised to an extent which is premature."

Condoms may be made available to homosexual men in some prisons to reduce the risks of Aids, Dr John Kilgour, director of prison medical services for England and Wales, said yesterday that the possibility was being considered by the Home Office. As many as 500 men with the Aids virus are thought to be serving sentences.

He said that homosexual acts in British jails are considered illegal and the provision of condoms could be seen as condoning an illegal act, but he hinted that some changes may be made to the rules.

MPs want tough stand on zero VAT

By Martin Fletcher, Political Reporter

The Government must tell the European Commission that it will not accept its "sawed" plans to end zero VAT rating on such items as food, children's shoes, newspapers and books, a senior all-party committee of MPs said yesterday.

The Treasury and Civil Service Committee challenged the arguments in favour of creating a unified system of indirect taxation throughout the European Community as part of the creation of a single internal market in 1992.

It dismissed the warning given to it by Lord Cockfield, vice-president of the commission, that failure to conform could lead to trade barriers between Britain and the rest of the community. It also rejected the EEC's proposals for standardized excise rates throughout the community on tobacco, alcohol and petrol.

The committee, referring to Lord Cockfield's assertion that the Govern-

ment had yet to reply formally to the commission's proposals, declared: "The Government should send such a reply without delay making plain that abolition of the zero rating principle is not something on which there can be unanimity and that the Government is not prepared to consider any draft which includes it."

There were "overwhelming arguments in favour of the retention of zero rating. Ministers should seek to persuade other member states of its positive merits."

The EEC has suggested a two-tier VAT system with a standard rate of between 14 and 20 per cent and a reduced rate of 4 to 9 per cent for items such as food, books, medicines and passenger transport.

The committee said these proposals were "unlikely to be wholly acceptable to anyone". They seemed to be based on "a legalistic search for approximation

rather than a search for the most sensible and desirable solution."

The commission had not made a convincing case that unified VAT was necessary for completion of the internal market. VAT was just one of a number of factors accounting for price differentials between member states.

"Approximating VAT will not remove price differentials or place all EEC companies on an equal footing."

The committee said standardized excise duties were unacceptable because they would impinge on the social, health, transport and environmental policies of individual member states.

The Government has repeatedly expressed its opposition to ending zero rating.

Treasury and Civil Service Committee: The European Commission's Proposals on the Approximation of Indirect Taxation (Stationery Office, £4.20).

Joint action over tranquillizer cases

By Our Legal Affairs Correspondent

Solicitors from more than 100 firms meet next Wednesday to form a united front against drug companies over the alleged side effects of some tranquillizers.

The meeting, in London, has been called by the Law Society, the solicitors' professional body, which says that 100 firms have already been instructed by alleged victims of the benzodiazepine group of drugs.

Mr Graham Ross, a solicitor in Stockport, Greater Manchester, who is acting for 400 potential claimants, said that 1,000 people who had come forward claiming addiction to the tranquillizers.

The drugs have been widely prescribed, but now drug dependency and other prob-

lems are said to have come to light.

"The total number who may be addicted could be as much as two or three million", Mr Ross said.

It is possible that the concerted legal action - which could start by the end of this year - against the drug companies will be brought under the Consumer Protection Act, 1987.

This makes manufacturers of goods, including drugs, automatically liable for injury occurring as a result of defective products.

The campaign which led to the new law started after the Thalidomide tragedy in which deformed babies were born to women who had taken the drug.

Red wine seen as migraine culprit

By Pearce Wright, Science Editor

Red wine, but not alcohol in general, can set off migraine, according to the results of an experiment at two London hospitals.

That conclusion was described yesterday by Professor Merton Sandler, of the department of chemical pathology at Queen Charlotte's Hospital, Hammersmith, as "absolutely clear cut". He said it was also the unmistakable evidence proving that migraine attacks can be provoked by food-stuffs.

About one in four migraine sufferers attribute the onset of their blinding headaches to something they have eaten. Alcoholic drinks, in particular red wine - but not white - head the list.

The study shows that red wine contains an unrecognized

migraine-provoking agent that is neither alcohol nor tyramine, which is a naturally occurring substance that has been under suspicion.

The effects of drinking were monitored on four different groups. The study was conducted by doctors from the Queen Charlotte's and the Princess Margaret Migraine Clinic at Charing Cross Hospital and is described in today's issue of *The Lancet*.

Of the four groups, only those given red wine who were suspected of being sensitive had a migraine attack. None of the others in the trial showed any symptoms.

Professor Sandler said it was necessary to look beyond alcohol and tyramine for dietary chemicals that set off the condition.

Ruling 'threatens ancient woodlands'

Ancient woodlands were said to be in danger yesterday after the Court of Appeal ruled that landowners prevented from cashing in on the land are entitled to high compensation.

The judges dismissed an appeal by Canterbury City Council against a compensation order made by the Lands Tribunal by Mr Peter Bell, a farmer, in a test case supported by conservation bodies and watched anxiously by many local authorities.

The court ruled that Mr Bell was entitled to £38,851 because he was prevented by a tree preservation order from converting 39 acres of Featherly and Quifers Woods, at Kingston, near Canterbury, to farmland.

The woods, which are within the Kent Downs area of outstanding natural beauty and have been on the site since at least 1600, form part of 88 acres bought by Mr Bell in 1981.

The judges were told of wide fears among conservationists that, if local authorities were faced with paying out high compensation to landowners, they

Scottish Friends of the Earth planted 35 trees in a paddock at the rear of the home of Mr Terry Wogan, the television personality, yesterday in protest against his 1,000-acre holding in a conifer forest in the Flow Country, Caithness. Friends of the Earth said Mr Wogan, who is on holiday, had received more than £250,000 in grants and tax relief.

would be unwilling to protect woodland with preservation orders.

Mr John Chater, chief planning officer in charge of conservation for the council, said later: "Because of the ambiguity of the legislation, local authorities have been uncertain about the position for 20 years, during which time thousands of acres of woodland have been lost. With this ruling their worst fears have been realized. Our ancient woodlands have been put in grave danger."

He said the council, which was refused permission to appeal to the House of Lords, would consider going directly to the Law Lords to seek leave.

Lords Justices Slade, Russell and Taylor rejected the council's argument that compensation should be limited to any loss incurred by the landowner's inability to exploit the area's full potential as forestry land.

Mr Bell argued that the compensation figure should also take into account the loss of the potential value of the land as agricultural land. Lord Justice Russell said that, if the council's argument was right, and compensation was to be assessed solely on the value of the timber, Mr Bell's assessment after deductions would have been nil.

There was nothing in either the 1971 Town and Country Planning Act or the 1969 Country Planning (Tree Preservation Order) Regulations to justify limiting compensation in that way, he said.

Friends of the Earth launched a "Good Wood Guide" yesterday as part of a campaign to direct trade in tropical hardwoods away from the destruction of natural rainforests.

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Prime Minister and Lawson rule out intervention

The Prime Minister and the Chancellor made clear during Commons questions that the Government was not going to intervene in the markets to hold down the value of sterling.

Mrs Margaret Thatcher said: "There is no way you can buck the market."

She and Mr Nigel Lawson repeated that the Government's paramount policy was to keep inflation down.

Mr Lawson denied an Opposition claim that he had said three months ago that the pound should not rise above DM3. However, any further significant rise against the Deutsche Mark would be unlikely to be sustainable.

Mr Patrick Duffy (Sheffield, Attercliffe, Lab) said that, in view of the present position of balance of trade and external payments, and the extent to which they would be aggravated by this week's predictable surge in sterling, how did the Chancellor explain last month's "high interest rates? Or had he been overruled?"

Mr Lawson said that he was not sure what was meant by predictability of sterling. He had not noticed that Mr Duffy had predicted it (laughter).

"The Government remains committed to maintaining a policy of exchange rate stability. That was agreed by the Group of Seven finance ministers on December 23 last year."

"While stability does not mean immobility, any further significant rise in exchange rate, certainly against the Deutsche Mark would, in my opinion, be unlikely to be sustainable."

Mr Timothy Smith (Beaconsfield, C) said that what mattered was keeping the continued downward pressure on inflation.

Mr Lawson said that was absolutely correct.

TREASURY

Mr Robert Sheldon (Ashton-under-Lyne, Lab) said that the president of the CBI had said that allowing exchange rates to develop in this way would produce a serious threat to industry. The Chancellor's policy had been stability, but that no longer seemed to be the case.

Mr Lawson said that he was aware of what the president of the CBI had said, but he had also said that it was very much the responsibility of business and industry to contain their costs.

Mr Gordon Brown, an Opposition spokesman on Treasury affairs, asked if the Chancellor recalled a statement he had made in the House of Commons on November 10, that the pound should not rise above DM3?

"Has he changed his mind or has the Prime Minister changed it for him?"

Mr Lawson: I never quoted any particular figure and if the *Financial Times* has quoted one by me they are wholly wrong.

Mr Ian Gow (Eastbourne, C) said that if high interest rates were said to discourage investment, how had there been a prolonged period of sustained investment in the United Kingdom despite the moderately high interest rates?

Would the Chancellor confirm that he would persevere with his monetary policy until he had achieved the policy set out in the party's manifesto of stability of prices?

Mr Lawson said that he could certainly give that assurance. It was right to point out that the policies the Government had been pursuing for nearly nine years and which had brought unprecedented success, had been criticized every inch of the way by the Opposition.

Later, Mr Timothy Boswell (Dumfries, C) said that the very high rate of inflation because they could not compete at selling goods abroad.

Mr Kinnoch said that the CBI and the British Association of Chambers of Commerce took a different view on inflation and said that, in the interests of guarding against rises in prices and cost inflation, it was necessary to get the pound back down to DM3 and also to cut interest rates.

"When faced with that practical advice, why does she prefer primitive monetarism?"

Mr Thatcher said that she had never known any industrialist to want inflation higher than that of his industrial rivals against whom he had to compete in international markets.

The CBI and industry were doing very well under the excellent stewardship of the Chancellor.

1980s had seen the fastest sustained economic growth since the Second World War, considerably faster than that of Britain's European competitors.

Mr Nicholas Budge (Wolverhampton, South, Lab) said that the present growth rate was not sustainable. "Since it is now plain that he does not have the political support of the Prime Minister for maintaining the pound in the European exchange rate mechanism, will he reintroduce monetary controls?"

Mr Lawson: That sounds like some kind of socialist interventionism, which I would certainly not endorse.

Mr Christopher Smith, an Opposition spokesman on economic affairs, said that the pound appeared to be going into free fall against the Deutsche Mark. Mr Lawson had said previously that his target was to keep the sterling rate below DM3.

Mr Lawson said that he stood by what he said at the September meeting of the International Monetary Fund. "There is nothing about DM3 there. I think the *Financial Times* must have been mistaken on that particular point."

Mr Nicholas Winterton (Macclesfield, C) while congratulating the Government on what they have achieved on the economy and while industry can certainly cope with relatively high interest rates, is he not now a little concerned about the exchange rate position, because this may well undermine the competitive position of British industry in the world.

Mr Lawson said that he understood the point being made. "Clearly, we do not want an excessively high exchange rate but nor, by the same token, are we prepared to see attempted salvation by devaluation, espoused by the Opposition, but which really is the route to higher inflation."

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Mr Lawson said that he understood the point being made. "Clearly, we do not want an excessively high exchange rate but nor, by the same token, are we prepared to see attempted salvation by devaluation, espoused by the Opposition, but which really is the route to higher inflation."



A day of sweeping harmony

Giving people the responsibility to clear the litter from outside their shops, offices, and homes was a possible but major change in the effort to clean up Britain, Mrs Thatcher said during question time.

She agreed wholeheartedly with Mr Edward Garrett (Walsend, Lab) (above), who told her that he and she had one thing in common: they both abhorred filth and the disgrace of litter cities with the national problem of litter.

"As a provincial MP I am distressed

beyond belief at the failure of the citizens to starten up this city (cheers). With the possible exception of Westminster, the boroughs in this great metropolitan area are somehow losing the battle to keep our streets clean. It must be a source of distress to foreigners when they leave the clean surroundings of Heathrow and find the filth and grime in the city."

He suggested that she should send someone from Downing Street to European capitals to see how they tackled the question.

Mrs Thatcher: I agree wholeheartedly. Westminster City Council makes tremendous efforts to try to keep the streets clean. The sidewalks and central reservations outside the city were a contrast.

In Europe it was tackled by giving people responsibility for clearing up outside their shops, offices and houses. That was a possible but major change. If people did not throw down litter and had greater pride in their cities and roads there would not be a problem.

Forestry tax plans defended

Forestry was important for employment, Mr Norman Lamont, Financial Secretary, Treasury, said, when Mr Ronald Davies (Caerphilly, Lab) said that tax incentives for forestry development were not especially for timber production but to provide "tax dodges" for the very rich.

Mr Lamont had told him that income tax forgone as a result of special taxation provisions for forestry development was at present estimated at £10 million.

Mr Davies: Most current commercial afforestation is carried out despite the objections of those who care for our landscape and wild life.

"While he cannot anticipate the Budget, will he be at least confirm that there can be no justification for the present tax regime?"

Mr Lamont: Some would point out that forestry is important for employment in rural areas, and for the pulp and paper industries.

Regional grants redefined, not cut, says minister

Government spending on regional assistance was being redefined and redirected but not cut, Mr Ian Lang, Minister of State for Scotland, said when moving the third reading of the Regional Development Grants (Termination) Bill in the Commons.

He said that the Bill was part of a group of measures by which the Government aimed to strengthen regional policy and to make it more cost-effective. There was no question of a cut in spending. In fact, in very many areas there were big increases.

He did not believe that inward investment would be undermined as a result of the changes. Regional assistance had a part to play in attracting inward investment, but it would still be available in selective form and could thus be tailored to the needs of specific projects.

The case for handing out grants in a general and automatic fashion could no longer be made. Such a system was not effective. Assistance was best given not in an undirected manner or in a way that created

INDUSTRY

dependence. It should be related to need and aimed at stimulating self-generating growth as well as reducing inequalities in employment opportunities.

The changes in this Bill would apply resources more cost-effectively, more flexibly and more selectively, the better to achieve the Government's objectives.

Mr Austin Mitchell, an Opposition spokesman on trade and industry, said that the Bill bore all the hallmarks of the Government entering its new radical loony phase.

The Bill was vicious because it would hit hardest those areas most in need in favour of the richer areas. It was mean because it was a further petty economy that would lead to a reduction in spending on the regions from a Government that was now spending only £1 on regional assistance for every £4 spent by Labour.

It was a shabby Bill because it was justified by fiddled figures

and it was cynical because it was typical of the new approach of the Department of Trade and Industry in advertising worse as better.

If industry was to be attracted the Government needed a panoply of weapons. Both regional development grant and regional selective assistance had a part to play. "You have got to have a two-legged approach."

The automatic nature of RDC was its strength, but also the reason why the Treasury objected to it. The Treasury disliked anything that was demanded. It wanted the power to control these grants.

Seeing the strength that gave ministers against the Treasury, they should have fought to save these grants. The fact that they had given away showed what little guts they had.

Mr Alan Beith (Berwick-upon-Tweed, SL) said that regional development grants had been a successful part of regional policy and had helped to create more than 600,000 jobs.

Attack on the IRA bombers

It was clear that the IRA was planning the projected bombing in Gibraltar at the same time as it was wringing its hands over the deaths at Enniskillen, Mr Robert Hayman (Kingswood, C) said during Prime Minister's questions.

He said that Mrs Thatcher should make that point if she found it necessary to talk to the Irish Prime Minister about the deaths of the IRA members.

Mrs Thatcher: Most people are very grateful that due to excellent security operations another terrible toll of many deaths and maimings was wholly avoided.

Heffer calls for debate

Mr Eric Heffer (Liverpool, Walton, Lab) asked for an early Commons debate on the shootings in Gibraltar. He said that great disquiet had been expressed.

He had received dozens of letters, some from ex-SAS men, ex-colonels and Tories, also expressing great disquiet. "We have not yet got into the position of death squads in this Government. It is about time that this House had a debate."

Mr John Wakeham, Leader of the Commons, said that in any debate, the House would want to indicate its support for the security services.

Concern over closed ward

The Prime Minister was questioned about Queen Elizabeth the Queen Mother's concern at the closure of the special unit for elderly patients at St Tydfil's Hospital, Merthyr Tydfil.

Mr Derek Fatchett (Leeds Central, Lab): Is the Prime Minister as concerned as others, including a very senior person in our society, about the future of the unit?

Mrs Thatcher: Yes. There was a particular unit at that hospital which was to have worked up to five beds. This unit is closed and not the entire hospital.

Tory plea for war widows

A plea was made at question time by Mr Nicholas Winterton (Macclesfield, C) on behalf of war widows from before 1973 who receive less in benefit than others.

Mrs Thatcher said: "We have done a great deal to help the war widows in that we have made their pensions non-taxable. It is not possible to increase retrospectively for everyone one wishes to help."

'Vital' to control inflation

The paramount objective of the Government was keeping down inflation, Mrs Margaret Thatcher said during Prime Minister's questions.

Mr Neil Kinnoch, Leader of the Opposition, asked whether she agreed with the chairman of the CBI, Sir David Nixon, who had said on Wednesday that high interest rates and high exchange rates at the same time were bad for industry.

Mrs Thatcher said that she and the Chancellor (Mr Nigel Lawson) had already indicated the Government's policy. "It is vital to try to keep inflation down."

There had been fixed exchange rates under the former Bretton Woods system, but that had been brought to an end by inflation. "The last thing the CBI or manufacturers want is a

very high rate of inflation because they could not compete at selling goods abroad."

Mr Kinnoch said that the CBI and the British Association of Chambers of Commerce took a different view on inflation and said that, in the interests of guarding against rises in prices and cost inflation, it was necessary to get the pound back down to DM3 and also to cut interest rates.

"When faced with that practical advice, why does she prefer primitive monetarism?"

Mrs Thatcher said that she had never known any industrialist to want inflation higher than that of his industrial rivals against whom he had to compete in international markets.

The CBI and industry were doing very well under the excellent stewardship of the Chancellor.

£14m from a tax on death

The Treasury is receiving between £14 million and £18 million a year through the imposition of value-added tax on funerals, Mr Max Madden (Bradford West, Lab) said during questions. "It is, in effect, a tax on death."

Ten thousand people died each week and the Chancellor should introduce VAT zero-rating on funeral charges. He should also look at giving tax relief on simple insurance schemes, which would give re-assurance to many elderly people.

Mr Peter Lilley, Economic Secretary to the Treasury, said that the Government did not have the power under its EEC obligations to change the position on VAT in this instance, but he would draw the attention of the Chancellor to the matter.

MPs reject Labour's gay amendment to councils Bill

The following report of a Commons debate on the Local Government Bill appeared in later editions yesterday.

The Commons voted by 254 votes to 201 - Government majority, 53, to reject a Labour amendment to the Bill and preserve the ban on intentional promotion of homosexuality by local authorities.

When Lords amendments to the Bill were considered, Dr John Cunningham, chief Opposition spokesman on the environment, moved an amendment to exempt action that would discourage discrimination or would protect civil rights. This was rejected in the division.

The House approved the wording of the ban on intentional promotion as it emerged from the House of Lords, with the word "intentionally" inserted, without a further division.

Dr Cunningham welcomed the Lords amendments but said that they were not good enough to satisfy the Opposition's fundamental objections to the clause.

The provision set a dangerous precedent. It represented a new and dangerous direction for the law.

These proposals will encourage discrimination at a time when the civil liberties of homosexuals are already under increased threat and hostility because of the appalling consequences of Aids.

The clause would make it more acceptable to discriminate against gay and lesbian people.

The Government had proposed a similar clause in 1986 arguing that it would be open to harmful misinterpretation. Why had it changed its mind now?

"I believe it has done so for the basest and most contemptible of political motives. It wants to seek political gain from aiding and abetting bigotry and discrimination against gay and lesbian people."

Mr Robin Squire (Hornchurch, C) said that the Government had not established the need for this clause. There was a possibility that it would be taken by many people as some sort of signal that matters were becoming more intolerant.

Mr Christopher Smith (Islington South and Finsbury, Lab) said that the Government's motives were profoundly anti-democratic, anti-libertarian and destructive of British traditions of tolerance. The clause said that there was one form of relationship, one form of sexuality that was acceptable, and only one.

That form would be endorsed, approved, applauded and given special legal status. Everything else would become second class.

Mr Nicholas Fairbairn (Perth and Kinross, C) said that sodomy and buggery were not natural alternative sexual acts.

That was immoral.

Mr Christopher Smith: Government motives destructive

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Aids victims and disabled suspects held in police cells on remand

Hundreds on move as crisis worsens

By Peter Evans, Home Affairs Correspondent

More than 1,000 London prisoners on remand are being held in police cells the length and breadth of England, including one man accused of theft who has terminal Aids.

Chief Inspector Anthony McDermott, who is supervising movements for the Metropolitan Police, said: "We are trying to get a court to consider the question of bail

so that he can go to a hospice as a terminal case". The man is one of three HIV positive cases.

The movement of prisoners out of London begins at 4pm each day the courts are sitting and the last of 50 vehicles leaves at about 8pm.

About 20 prisoners to be held in the North could be put in a coach with a secure escort

of officers. A run to Doncaster, Leeds and York, dropping off half a dozen or so prisoners at each location, could end as late as 3am.

The coach then picks up its first prisoners at 4am for the trip back to London.

The remand prisoners are too far away to be seen by relatives and solicitors and most police stations do not have the facilities for visits.

The police are trying to bring back more and more prisoners in time for a good night's sleep before they appear in court. Their fate could depend partly on the impression they make.

In exceptional cases, a remand prisoner may go to 15 locations, because of pressure on space caused by industrial action at two London jails by members of the Prison Officers' Association.

Mr McDermott said that 1,256 London prisoners were yesterday being held out of prison. Numbers varied up to 1,300, with about 10 or 15 per cent on the move each day.

In the Metropolitan Police area prisoners are in cells at four courts, 38 police stations and the Lambeth Holding Centre, where Mr McDermott is in charge.



The Metropolitan Police operations centre for the deployment of remand prisoners (Photograph: Mark Pepper).

A total of 931 prisoners were being held by provincial forces for the Metropolitan Police at 83 locations.

There are a total of 62 alleged murderers being held, 32 of them in the provinces. Another 90 prisoners need either psychiatric or medical reports.

Within the total of 1,256, there are 206 convicted prisoners, and the number is increasing. Mr McDermott said: "People with shorter sentences may never see the inside of a prison."

There are also 338 from the provinces in police custody instead of jail.

More than 20 prisoners are listed by police as not fit to be held in police cells. They include one who attempted suicide, a hunger striker and psychiatric cases.

"There are people who require secure medical treatment", Mr McDermott said.

"Last week I had a man with both legs in plaster who couldn't move and he was in constant pain and my officers had to act like nurses."

In the same cell was a man with one leg, in a wheelchair alleged to have committed minor criminal damage. Every day he was transported to

hospital for an artificial limb to be fitted.

Prisoners violent towards officers are also held in cells.

Each day Mr McDermott and his officers calculate how many places are needed for prisoners and telephone the Mutual Aid Co-ordinating Centre at Scotland Yard, set up by the Association of Chief Police Officers. That negotiates with provincial forces for cell spaces.

Most stations have no showers and no facilities for exercise or visits.

Many prisoners are locked up without association and without exercise for five to six

days, perhaps even longer, before coming again to court in London.

The Home Office said: "The Metropolitan Police and forces around the country are doing a magnificent job in putting up remand prisoners in very difficult circumstances but, unfortunately, there are bound to be problems."

Mr John Hosking, chairman of the Magistrates' Association, said: "We have been receiving complaints from magistrates about the failure of the prosecution to produce suspected offenders. As the industrial dispute continues, the situation can only deteriorate."

Charge is dropped as man waits at home

By David Sapped

A man accused of attempted theft said that he was "wasting time just mooching about" at his north London home.

Meanwhile, the combined forces of the Home Office, the Crown Prosecution Service and the Metropolitan Police had confessed in court that they did not know where to find him.

Mr John Nichols, Marlborough Street magistrate, threw out a case of attempted theft against Mr Seamus O'Neill, saying he was "appalled" that the prosecution had failed on three occasions to produce the accused.

The prosecution believed Mr O'Neill was still on remand in police custody, but he had been bailed more than three weeks ago and had received no notice to attend any court.

Mr Nichols also dismissed charges of dishonestly receiving stolen goods against Mr Clive Taylor, of Harlesden, north-west London, and Miss Joanne Hall, of Camberwell, south London.

On three previous occasions, Mr Taylor was not produced at court. Yesterday, officers from Wormwood Scrubs brought him to the hearing but Miss Hall could not be taken from Holloway prison because of staff shortages.

Navy relics bring in excellent prices

The battered, once waterlogged contents of HMS Invincible fetched £60,329 at Christie's South Kensington yesterday, with all but 1 per cent sold.

Being the first full-scale sale of archaeological remains in this country, the auction house had refrained from suggesting any estimates and so, whatever it achieved would have seemed successful.

It was the sand glasses, primitive but effective timekeepers for seafarers, that fetched the highest prices.

A 28-second sand glass, closely resembling a present-day egg timer, its glass container set within an oak case, sold for £3,850, and a 14-second version fetched £3,080. Both were bought on behalf of a Swiss collector.

A square wooden sailor's dinner plate, the like of which inspired the phrase "a square meal", was bought for £1,045, by someone who insisted "it is not for me". Two sorry-looking leather fire buckets, which once resided on deck beside the guns, sold for £715.

A Madeira wine bottle - alas, empty - fetched £440. In a section coyly called "the Shoe Collection" a single leather shoe, unworthy even for the most badly dressed of tramps, its outer sole and various other parts missing, sold for £65. Finally, a beaver's daughter, or punishment cane, sold for £110 to an anonymous buyer.

A number of museums was represented, such as the Royal Armouries, but it was not thought they had bought. The sale, of 300 relics excavated recently from the wreck of the eighteenth century British warship, Invincible, was condemned by the Council for British Archaeology, which blamed lack of legislation to protect the nation's heritage, and the lack of resources for archaeology.

There was a world record

SALEROOM

by Sarah Jane Checkland
Art Market Correspondent

for Richard Parkes Bonington at Sotheby's English watercolour sale when his painting of the Pont des Arts and the Ile de la Cité, an important late work which helped establish the popularity of this particular view with later English artists, sold for £94,600 (estimate £40,000 to £60,000), to Agnews, the dealers.

J M W Turner featured high among the top lots. His painting of an angler casting just above the narrow passage of water called "The Strid", at Bolton Abbey, Yorkshire, sold to a private buyer for £85,800 (estimate up to £60,000).

His view of the Rigi, Lake Lucerne, a recently rediscovered work, fetched £42,000, just above estimate.

Meanwhile, at Bonhams Old Master sale, top price was for a stormy seascape by Willem Van de Velde the Younger, depicting an English Indianman in a gale, driving ashore on a rocky coast. Estimated at £8,000 to £12,000, it sold for £12,650, a commissioned bid.

Middle-range continental furniture sold well at Christie's King Street, achieving a total of £557,089, with 91 per cent sold.

During the first part of Sotheby's two-day Japanese works of art sale, two dealers battled it out for a tiny eighteenth century ivory carving by Masanao of Kyoto of a cow comforting the calf which lies beneath her.

Together they took the price nearly £30,000 over its estimate, and it sold for £35,200 to Mr B Davies, a London dealer. The top price was £55,000 (estimate £25,000 to £35,000) for a pair of seventeenth century Kakiemon jars.

Apple prices rise but quality stays

This year's Cox apples are superb although more expensive, at 55p to 65p a lb, than a couple of months ago. Pears are plentiful with a choice of King William's, 35p-55p a lb, comice 35p-55p and conference 22p-35p.

Home-grown early rhubarb is 35p-55p a lb. Grapes are 70p-£1.50 a lb depending on variety. Pineapples range from small at 55p each to extra large at £2.50 each. Sharon fruit are 25p-40p each. Oranges are 8p-30p each, oratanges 18p-25p, ugli fruit 50p-70p, grapefruit 12p-40p and lemons 10p-22p.

Cabbages are 25p-30p a lb and are plentiful. The last of the English brussels sprouts, at 20p-30p a lb, are still good quality. Cauliflowers are 45p-70p each. Courgettes, at 55p-75p a lb, are reasonably priced for the time of year.

Root vegetables in season are carrots 18p-30p a lb, parsnips 15p-35p a lb, swedes 16p-18p, turnips 20p-30p and potatoes 11p-30p a lb.

Lettuces are 28p-85p each, chinese leaves 50p-90p a head, celery 40p-60p, and English and Dutch hothouse tomatoes 90p-£1.10 a lb.

The average price of fish fillets including herrings is 85p, mackerel 71p and dab 73p which are cheaper than last week. Large cod at £2.02 a lb, haddock £2.15, whiting

£1.56 and plaice £2.30 are all more expensive.

Farmed salmon cutlets are £3 a lb for small fish and £4.40 for larger fish. Rainbow is £1.80 a lb. Smoked mackerel is about £1.20 a lb, cod £2.30 and trout £1.20 a lb.

Rib of beef is about £1.59 a lb and topside or silverside an average £2.28 a lb.

Whole leg of lamb costs an average £1.71 a lb, whole shoulder 97p and boneless shoulder £1.64.

Offers available this week are Sainsbury's lean cubed braising steak £2.48 a lb, fresh beef mince 96p a lb, Marks & Spencer 595 grams of roast chicken drumstick £2.39 and 35p of roast chicken thighs £2.25.

Tesco topside/silverside of beef £1.89 a lb. Pork escalopes £2.09 a lb, British lamb shoulder 94p a lb. Safeway beef braising steak £1.74 a lb and boneless chuck joint £1.64 a lb.

Dewhurst port spare rib chops from £1.18 a lb, hand of pork from 59p a lb, New Zealand leg of lamb from £1.39 a lb. Presto beef braising £1.74 a lb, beef roasting joint £1.64 and 3lb pack of chicken quarters £1.99 each.

Bejam New Zealand chump chops £1.29 a lb and New Zealand lamb shoulder quarter knuckle 59p a lb.

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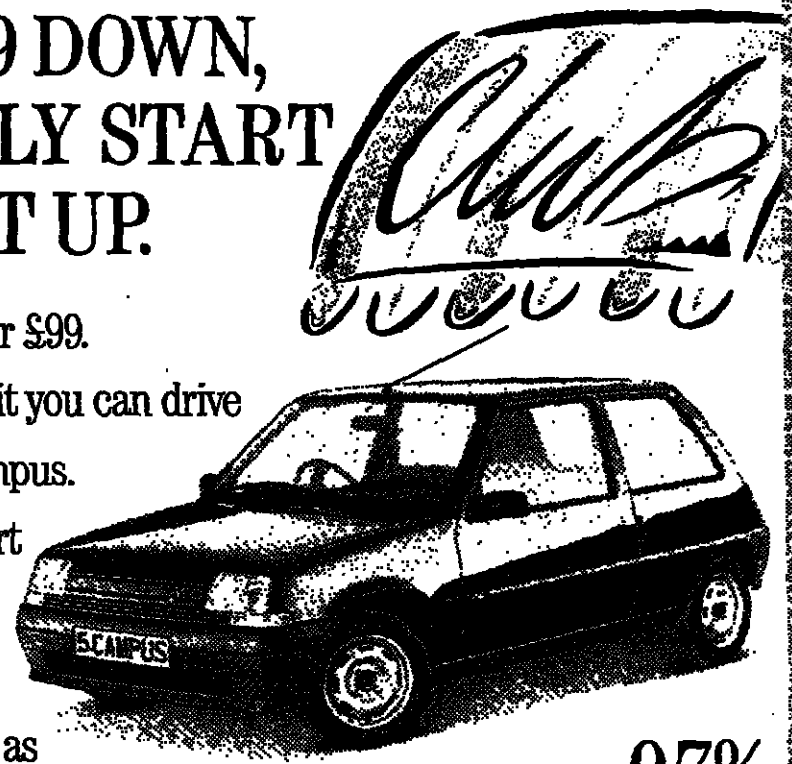
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APR	8.7%
Minimum Deposit of	\$99.00
To be financed	\$4,971.00
Finance Charges	\$738.24
Repayment Period	36 months
Monthly (1) Payment of	\$158.50
Total Credit Price	\$5,817.24*
CUSTOMER SAVING compared to the credit providers' normal 12.0% p.a. flat interest rate, (APR 24%)	\$1,051.20
(1) Weekly Equivalent	\$36.59
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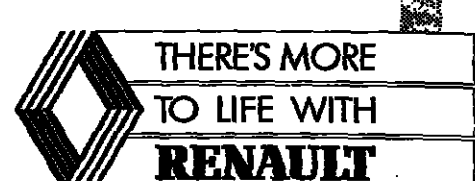
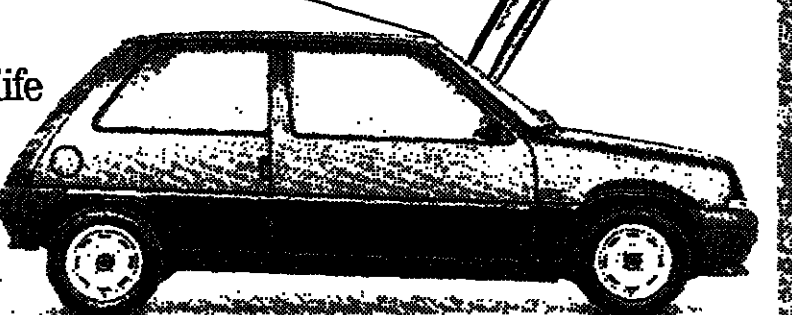
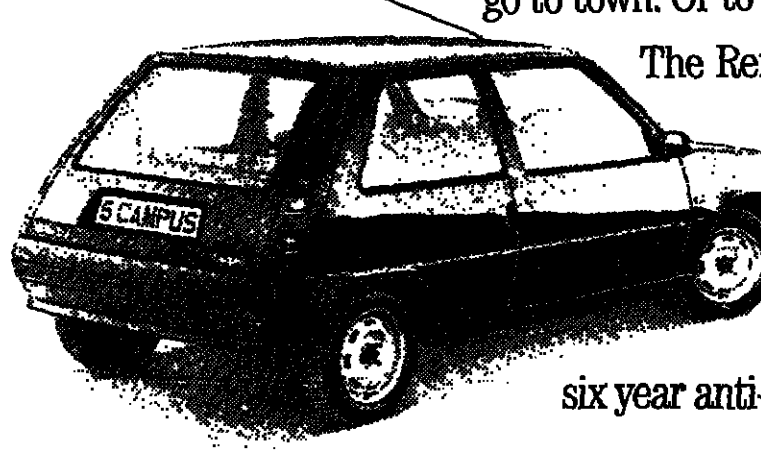
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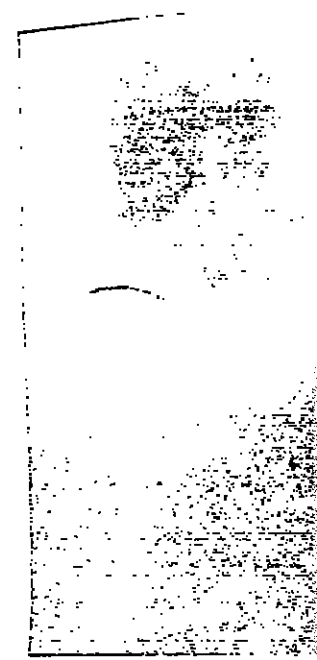
This offer is subject to credit status and applies to any new Renault 5 Campus ordered and registered between December 1st 1987 and March 31st 1988 (offer does not include Channel Islands). Western quotations available on request from any Renault dealer (see Yellow Pages). Credit facilities provided by Renault Loan Limited, North West House, City Road, Chester CH1 3AN, 3 door model. All prices correct at time of going to press. Prices include 158 VAC, Car tax, front and rear seat belts and sound system. Number plates and delivery extra. Car shown Renault 5 Campus, 3 door. RENAULT recommends 0088 lubricants.

IT'S TIME FOR ALL HONEST CITIZENS TO TURN TO CRIME.

You can see
few facts.

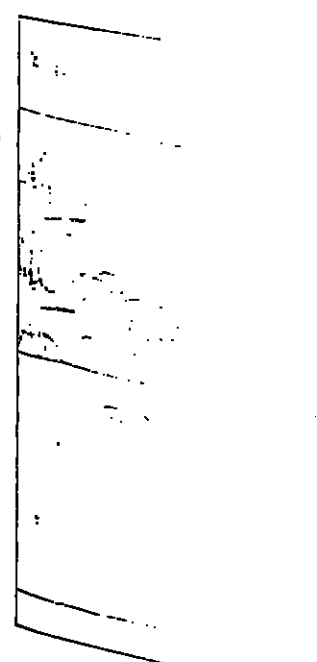
Each year
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by another £500 million.

Yet the problem
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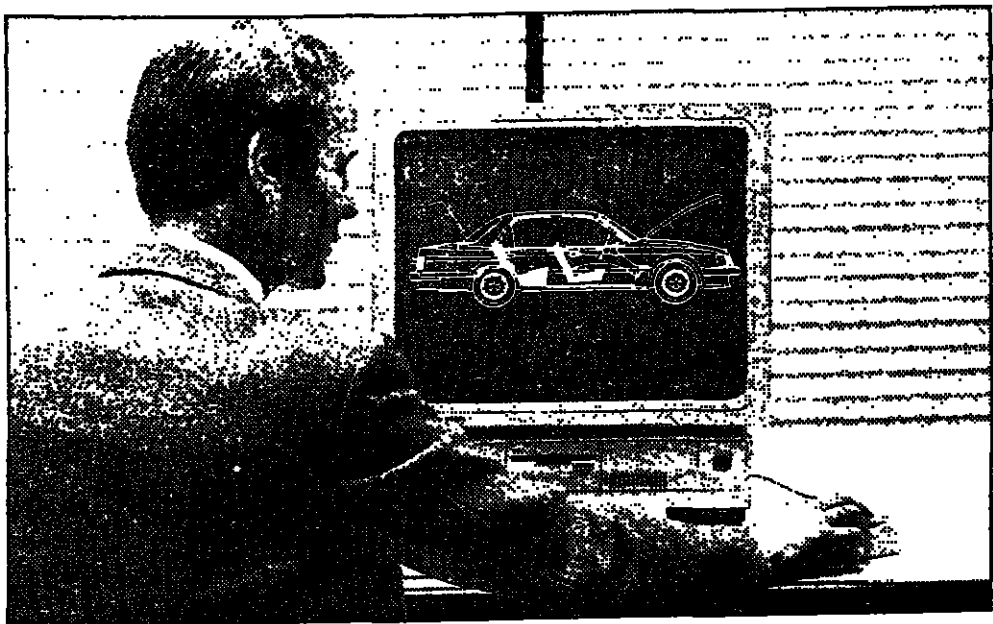
مكتبة الادب



You can see why by considering a few facts.

Each year car theft costs us about £300 million, and burglary sets us back by another £150 million.

Yet the police reckon that one car in five is left unlocked, or with windows open, or with expensive goods temptingly on display. It is estimated that

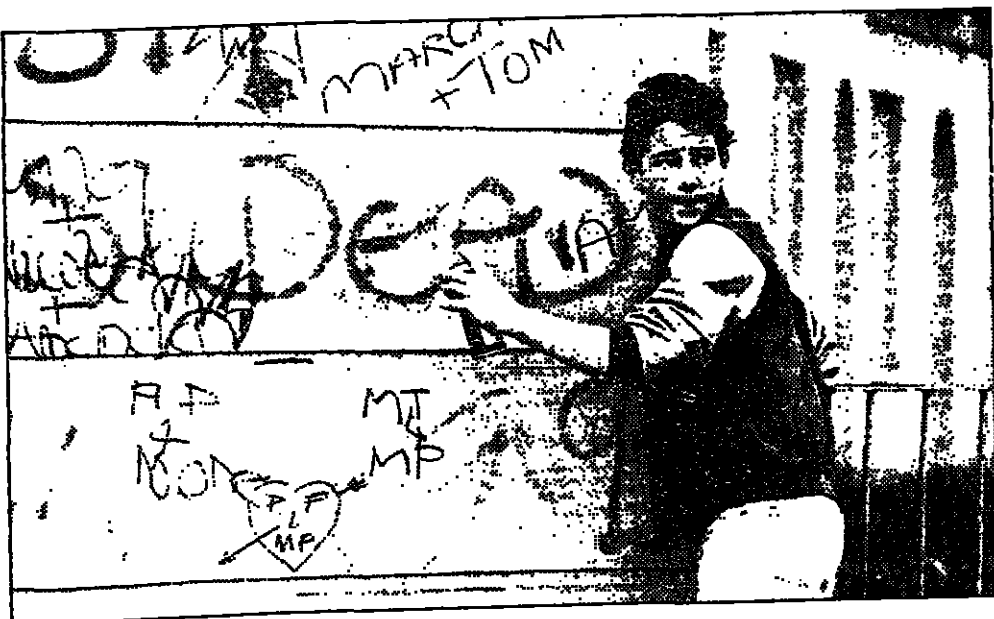


over 60% of homes still do not have any window locks (although that's better than a few years ago when it was nearer 90%).

These facts illustrate a basic truth.

HOME TRUTHS ABOUT CRIME.

The truth is that most criminals are on the lookout for a soft touch.



They are not hardened 'professionals' who set out with particular targets in mind, but young, inexperienced or unsophisticated.

What they're looking for is a house or car that will let them get in, get what they want and get away quickly.

In short, an easy opportunity.

Many of these opportunities can just as easily be removed.

By fitting and using locks. Or by taking other very simple precautions.

GETTING TOGETHER.

And if we can foil small-time criminals with modest individual effort and cost, how much more could be achieved by

working together in Neighbourhood Watches (there are forty-two thousand already)? Or in other local activities involving police, councils, businesses, voluntary groups and schools?

More radically still, what might we see if more systematic

effort was made to design anti-crime features into cars, houses and estates?

This is not a pipe dream: it's already happening.

DESIGNING AGAINST CRIME.

Take housing. There is a growing awareness of how the design, layout and construction of houses and estates

can affect the incidence of crime.

Many police forces are now appointing specialist architectural liaison officers in their crime prevention departments.

A new British Standard has been published. Some builders are now building security features into new housing projects.

Or cars. The Institute for Consumer Ergonomics at Loughborough University carried out a research project into automobile security which was presented to the motor industry

at a special Home Office conference.

Some manufacturers are now fitting better security on the production line. Some magazine road tests regularly report on the subject.

PREVENTING VIOLENT CRIME.

About 95% of crimes are against property rather than people. But, not surprisingly, it

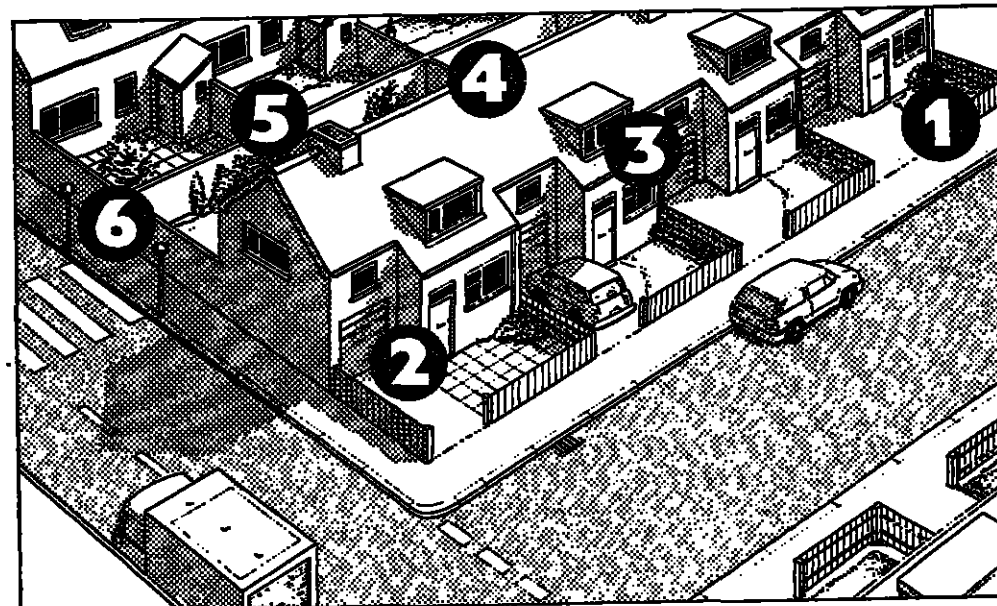
is the remaining 5%—assault, mugging and rape, for example—that causes the most comment and concern.

But even thugs look for easy opportunities. The dark alley, the pensioner who doesn't check callers' credentials, the child who accepts a lift from a stranger. These can be reduced by



personal and community action.

For example, because all of us feel vulnerable sometimes, police and other experts have devised simple, sensible precautions which individuals can adopt to help minimise the risk of being attacked.



1. Individual front gardens encourage responsibility
2. Integral garages cut down thefts
3. Windows facing street make observation easy
4. Mixed housing encourages social integration
5. Proper fences create sense of privacy
6. Back walls at least 6' high cut down easy access

THE CRIME BOOK.

Whether simple or sophisticated measures are called for, the scope for preventing crime is still enormous.

So take the opportunity to find out more. Telephone 01-200 1000 or send the coupon for your free copy of 'Practical Ways to Crack Crime'.

It will help you help the police to protect your family, your home, your community.

For your free copy of 'Practical Ways to Crack Crime' telephone 01-200 1000 or send this coupon to: Home Office Crime Prevention, PO Box 1000, Liverpool L69 1SR.

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PRACTICAL WAYS TO CRACK CRIME

CRIME
 TOGETHER WE'LL CRACK IT

Waldheim and the fate of captured Allied soldiers

Mystery of censored report

From Robert Fisk
Vienna

A wartime German intelligence document signed by Dr Kurt Waldheim and recounting the capture of 20 Allied soldiers — at least one of whom was later murdered by the SS — was systematically censored after the war to erase the identity of any survivors.

In all, 31 deletions were made in the Waldheim document, almost certainly by American officials in Washington before the papers were sent from the United States to the West German military archives in the early 1960s.

The only allied name still legible on the document is that of Captain David Warren, an SOE agent who the Foreign Office believes was executed on or just after May 14, 1944, the same day on which Dr Waldheim's report reached his superiors.

The exact identity of the officials who erased whole lines from the document — which is signed with Dr Waldheim's usual "W" initial as intelligence officer for the German Army Group E at Salonika — remains unknown, but the erasures could have been made in the national archives in Washington. The papers were captured by the Americans in 1945 together with thousands of other German wartime documents, and kept in Washington until their return to Germany for storage in the West German military archives in Freiburg.

They provide the first apparent evidence that Americans covered up details of wartime events that involved the future Austrian President. At about the time the papers were

returned to Germany with their black ink deletions, Dr Waldheim was head of the Austrian Foreign Office's western department political section. He was to be made Austrian ambassador to the United Nations in 1964.

The 1944 report originally named an American Air Force officer who, with 15 Russians and Poles under the command of Captain David Allan La Touche Warren, an Australian-born SOE officer, were captured while trying to escape by sea from Greece to Italy. But only the American's place

regional command for the Special Operations Executive — and then returned to Greece for "special tasks".

Whoever censored the report presumably knew that the one Allied soldier whose name was not deleted — Captain Warren — could never recount the events that took place because he had been taken from his Salonika cell by the SS at 11 at night and executed. After their perusal by officials in America at some stage after the war, "confidential" was stamped in English at the top of each of the

Major Hammer who was responsible for handing six captured British commandos to the SS for execution the same year. Dr Waldheim's wartime soldier's pay-book shows that he was on leave from Salonika when Captain Warren and his colleagues were captured by a German patrol boat on March 25, 1944, but had returned to his post in the intelligence section in time to write the report.

The initial intelligence documents appended to Dr Waldheim's report show that the Germans misunderstood what Captain Warren and the other men were doing. The first report to Waldheim's office from an Oberleutnant Zeiger in the German Korps Gruppe Joannina, described the capture of a "sabotage group" composed of "British, American, Russian and Polish persons" armed with two machineguns and several machine pistols.

In reality, however, Captain Warren, who was attached to the SOE's Force 133 operating behind enemy lines outside Salonika, was shepherding a group of escaped prisoners of war, including the American, across the Adriatic from occupied Greece to Italy when his boat apparently ran out of fuel.

Both Captain Warren's former commanding officer, Mr Christopher (Monty) Woodhouse, and Mr Charles Warren, Captain Warren's 61-year-old brother in Sydney, yesterday expressed their puzzlement as to why the document had been censored.

Mr Woodhouse, who was a colonel commanding Force 133, said the erasures were a complete puzzle.

Captain David Allan La Touche Warren, born Brisbane, Australia, 1914, one of seven children. Attended Geelong Grammar School in Melbourne, then worked for P & O Shipping Company as purser before travelling to Britain to enlist in British Army at outbreak of the Second World War. Attended British officers' cadet training unit, October 13, 1939, to April 19, 1940, then joined Royal Northumberland Fusiliers. Arrived in

and date of birth — Chicago on May 2, 1908 — and the nationality of his wife (Polish) can be found in the document. His name has been erased in black ink.

Later sections of the Waldheim report describe at length how agents of the British Military Mission in occupied Athens were trying to persuade Russian troops who had been captured by the Germans or who had deserted to the German side to escape and return to their units in the Red Army. The document also speculates that Russians who joined the British in Greece were also sent to Cairo — the

Middle East January 30, 1943, then recruited by Special Operations Executive (SOE) in Cairo. Infiltrated into Greece, August 1943, as British liaison officer with the Greek partisans. Captured by Germans off Greek coast while helping escaped Russian, American, and Polish POWs to travel to Italy, March 25, 1944. Executed by the Sicherheitsdienst (Hitler's secret police) in Salonika on the night of May 14 or 15, 1944. No known grave.

three pages of Dr Waldheim's report. This word was subsequently crossed out in crayon, presumably when the anonymous officials decided to delete the 31 passages from the report, sometimes whole lines, often individual words, totally obscuring the identity of any survivors.

Dr Waldheim's signature indicates that he actually wrote the original document, although it was signed by Major Hammer for the Army Group E Chief of Staff. Dr Waldheim's former superior officer claims now that it was

Officer's fight to escape the inevitable

From Our Own Correspondent, Vienna

David Allan Warren comes across the years as a cheerful, almost nonchalant young man, who improvised when things got rough, tried to escape his fate when it had become inevitable, and left behind him an unresolved story with the name of President Waldheim of Austria name at the end of it.

Captain Warren's brother Charles, now 81 and living in Sydney, remembers him as a happy-go-lucky schoolboy in Melbourne, failing his exams at Geelong Grammar School until his sister-in-law told him he could never become a Merchant Navy officer unless he worked harder.

As an agent of the Special Operations Executive (SOE) in German-occupied Greece, his commanding officer, Colonel Christopher "Monty" Woodhouse, recalls him as a pleasant, shy young man with curly brown hair who was struck down by the simple fate of running out of petrol with his tiny boatload of escapees en route to Italy.

And we see him briefly, too, through German eyes, as Dr Kurt Waldheim himself records Warren's last, vain mission, trying to find transport to the Greek coast for his 15 Russian, three Polish and one US prisoners of war. "They left for Karpenisi in February, 1944, where the British officer (Warren) rented a Greek truck for five gold pounds in which they continued to ... Galaxidi until a suitable boat was found. The entire group is said to have stayed in Galaxidi. The English officer was in charge of accommodation and supplies."

It is old Charles Warren who tells the end of the story. "My mother had cousins in England and they asked about Allan at the end of the war," he said yesterday. "The British War Office asked them to stop making inquiries."

"I saw his name on the Australian war memorial at Phaleron outside Athens in

1965. But that was all. I was told he got his men on to the boat but ran out of petrol, and that when they found him he was wearing the clothes of a Greek Orthodox priest."

"All we were told that he was taken to Salonika and had tried to dig a tunnel from his cell. The Germans drove a bulldozer round the prison and found the tunnel when the earth collapsed under the machine. One of the Russian escapees was in his cell and survived the war. He said later that the Gestapo came for Allan at three in the afternoon. He was never seen again, and we never really found out what happened then."

One reason why David Warren's last mission still remains something of a mystery is that Allied officials — most probably Americans, long after the war — censored the report of the young Wehrmacht intelligence officer who wrote about the Allied prisoners on May 8, 1944.

The anonymous censors were presumably more interested in the name of the officer who wrote it — Dr Kurt Waldheim — than they were in the fate of the young Australian-born British agent about whom it was partly written.

Between the 31 deletions in thick black ink, it is just possible to make out what Dr Waldheim wrote about Captain Warren — that Warren did not want the Greeks who were accompanying him to involve themselves in sabotage and that he "did not want to give a description of his own work".

According to the German report, Warren — who had only days before his execution — was told by the German interrogation officer that he "need not give any description of his comrades".

It sounds from the Waldheim report as if Warren was, therefore, not tortured. "I am relieved to hear that after all these years," his brother



Mr Charles Warren with a wartime photograph of his brother David, a young SOE officer whose doomed mission has been shrouded in obscurity by the pen of an anonymous censor.

Charles said, "I only wish his mother could have known that, but she is dead now."

Mr Charles Warren and Mr Woodhouse now agree that the SOE officer met his end on or just after May 14 — the day that, according to the Wehrmacht stamp on the top of the German report, Dr Waldheim's document reached his superiors. There is no indication that Dr Waldheim ever saw Warren himself.

Mr Woodhouse said yesterday that his own inquiries led him to believe that Warren

was taken from his cell at 11pm, at night not in the afternoon.

But what may have sealed Captain Warren's fate was the suspicion — included in some detail in the German intelligence file — that the British Military Mission in occupied Greece was using escaped Soviet soldiers as agents, taking them to SOE headquarters in Cairo for sabotage training and then parachuting them back into Greece. The Germans thought that Warren and his colleagues were arriv-

ing in Greece on a sabotage mission, not trying to escape.

"It's true that we wanted the Russians to escape," Mr Woodhouse said yesterday. "If the Germans thought there was some kind of high-level plot of a political kind, that is nonsensical — although I can quite understand why the Germans should have put their own interpretation on it."

Just who Warren's Russian and Polish POW colleagues on that last boat were is still unclear.

Austria marks date it prefers to forget

From Richard Bassett
Vienna

Count Maximilian Thurn von Valsassina, who is still a towering 6ft 7in as he approaches 80, was an unlikely victim of the Nazi annexation of Austria 50 years ago.

As Austria commemorates today its extinction as a republic, a dwindling but still numerous group of Austrians living in the country remembers the day that forced them to abandon their homeland.

Unlike most of the tens of thousands of Austrian Jews who fled or were exterminated, these Austrians returned after the war. Some hoped to rebuild the republic they had known.

In the present furor over the integrity of President Waldheim, these Austrians, not surprisingly, feel dismay at the incoherence launched against their country.

The influential Chamber of Commerce welcomed the Nazi annexation. The words "Heil Hitler" rang out through the imposing Palace of Industry on the Schwarzenbergplatz. Only three members refused to give the Nazi salute. Two were sons of wealthy Austrian Jewish families: the third, blond and Aryan, was Count Maximilian.

From that moment he was a marked man. Within 24 hours the Gestapo would be knocking on his door. Reluctantly he decided to flee, and reached South America where he spent the war. Educated in England during the late 1920s, he concedes readily that he per-

ceived the Anschluss in a way different from many of his friends and even from some of his relatives.

Fifty years later, however, he shows tolerance for that army of Austrian wobblers who tramped their sails to the Nazi wind. "You must remember, Austria was diplomatically isolated. London's advice to Vienna in her moment of crisis, during her life of March 1938, was to let it be inevitable, relax and enjoy it." One Austrian who did precisely that was Herr Wolfgang Banda, now a retired bank clerk but in 1938, as he

admits today, a fanatical Nazi. "That was oratory!" Herr Banda observed yesterday in his small flat near the Danube as he turned up an Austrian radio broadcast of Hitler's famous Heldenplatz speech of 50 years ago.

"Listen to that man's words: of course we should 'Heil Hitler, ein Reich' until we were blue in the face. Suddenly there was work. My mother's pension, which had not been paid for seven years, was restored. There was Ordnung."

Herr Banda admits that, with the benefit of hindsight,

the Nazis were not all he hoped.

Perhaps given the social conditions of the time, it was inevitable that, for every tolerant, well-educated Maximilian Thurn, there were thousands of Wolfgang Bandas.

"You cannot comprehend the chaos and hatred of pre-1938 Austria," another Austrian who fled the Nazis but decided to return after the war insisted yesterday.

The class hatred of the 1930s in Austria still persists in the supposedly classless world of consensus politics today. The prewar hatred of

Socialists vented by the Catholic population has only partly evaporated in postwar prosperity. It was this more than anything which made so many Austrians vote for President Waldheim two years ago and so place for the first time in decades a non-Socialist as head of state.

In the same way, the Socialists have never forgiven the Catholic conservatives for firing on workers during the brief but bloody civil war of 1934. One looks in vain for a street named after the only Austrian statesman to pay with his life for standing up to the Nazis, Engelbert Dollfuss, who was murdered in 1934.

A recent 600-page "definitive" history of the Austrian Army moves from 1918 to 1955 in half a page.

A small, insecure nation with such a turbulent recent history can be understood for wishing to suppress such things. But many hope that the publicity given to today's anniversary will enable Austrians, especially younger ones, to confront this past.

But the controversy continuing to surround Dr Kurt Waldheim prevents the issue from being discussed with any objectivity.

Faced with this emotive treatment by their elders, the younger Austrians predictably do not want to know about the events of 50 years ago. They remain for the large part unwilling to ask themselves the searching questions which German youth, to its credit, has posed since the war.

Former SS man in murder retrial

From John England, Bonn

Thalman's death, which the Nazis at the time said was due to an Allied air raid. He told the court: "I knew nothing about Thalman."

He added that as the NCO in charge of the camp office who saw all its post and handled secret documents for the commandant, "I should have known that he was to be brought to the camp."

Thalman was shot several times outside the camp crematorium and his body was thrown immediately into a pre-heated oven.

Herr Otto's appearance in court yesterday was seen as opening the final stage of a 26-year campaign by Thalman's daughter, Frau Irma Gabel-Thalman, of East Berlin, to bring her father's killers to

justice. State public prosecutors closed their files on Herr Otto six times before she was able to force the abortive trial in Krefeld.

Speaking outside the court she said yesterday: "We want only justice, no more than that." She is a co-plaintiff in the trial.

A United States military court in the former Dachau camp in 1947 sentenced Herr Otto to 24 years in jail for involvement in the murder of 15 Poles and Yugoslavs. He was released five years later for "good behaviour".

He became a teacher, but had to give up his job in 1962 after an East Berlin lawyer brought charges against him in connection with the murder.

WORLD ROUNDUP

Soviet police to round up rioters

Moscow — A special Soviet police team has been dispatched to the Azerbaijani city of Sumgait in an effort to round up participants in ethnic violence there on February 28 in which, according to official figures, 32 people died which, according to the Armenian (Christopher Walker writes). A copy of the Communist Party paper *Kommunist*, seen in Moscow yesterday, said that the team included investigators from the public prosecutor's office and the Ministry of the Interior.

According to Armenian witnesses, gangs of Muslim Azerbaijanis hunted members of the Christian Armenian minority through streets and blocks of flats, killing, raping and looting as they went and only being restrained when a military curfew was imposed more than 24 hours after the rioting began. The despatch of the special police squad was announced on Armenian television by Mr Vasily Trushkin, the Soviet Union's First Deputy Interior Minister, in a broadcast designed to calm Armenians angered by rumours of atrocities in the city.

Delay on spy book

Canberra — After millions of words of legal argument in the Australian courts spanning two and a half years, the finale of the long-running *Spycatcher* saga yesterday ended in anti-climax with the seven judges of the High Court reserving judgement for at least two months (Our Correspondent writes).

The hearing closed with stinging attacks by Mr Malcolm Turnbull, the lawyer representing Mr Peter Wright, the ex-MI5 officer who wrote the book, on the British Government and on Sir Robert Armstrong, the former Cabinet Secretary and principal witness at the earlier court appeals.

Mr Turnbull accused the Government of "incompetence" and Sir Robert of giving "false evidence".

Sentenced to death

Harare — A black Zimbabwean has been sentenced to death for the murder in November, 1985, of Douglas "Boss" Lilford, the financier and first chairman of the former Rhodesian Front party, (Jan Raath writes).

Local press reports yesterday said that Moses Mabhema, aged 30, had been found guilty of shooting Mr Lilford, aged 77, in the back of the head after he and six others had broken into the fortress-like homestead of Lilford's farm west of Harare. The gang believed that Mr Lilford kept £2.5 million in a safe.

Mr Lilford, a tobacco and horse-racing millionaire, was a founder member of the Rhodesian Front party of Mr Ian Smith, the former Prime Minister of Rhodesia.

White House surgery

Washington (Reuters) — Mrs Nancy Reagan had a small non-cancerous growth removed from above her upper lip at the White House at the weekend, Miss Elaine Crispin, her press secretary, said last night. She described the growth as "an actinic keratosis, or thickening of the skin" caused by over-exposure to the sun.

Laboratory tests on Monday showed the tissue to be benign and no further procedures were needed, Miss Crispin said. In 1982 a small lesion diagnosed as a common non-fatal form of skin cancer was removed from her face.

Moscow accused

Johannesburg — South Africa yesterday accused the Soviet Union of being the "main destabilizer" in the African sub-continent and said that this was why Moscow was not prepared to accept in Angola what it was prepared to accept in Afghanistan (Michael Homsby writes).

The comment came as Angolan officials claimed that South African troops were moving deeper into Angola in support of rebel Unita forces near Cuenab, on the Benguela railway in central Bie province. South Africa dismissed the claims.

Swoop in Eta hunt

Madrid — Hundreds of police, supported by helicopters and cars and vans, made a surprise search yesterday of flats in the working class dormitory suburb of Alcorcon, nine miles from here, in an effort to find Señor Emiliano Revilla, a wealthy businessman kidnapped by Eta 15 days ago (Harry Debelius writes).

In Bilbao, a policeman was injured on Wednesday night by a suitcase bomb which had been placed at the door of an office. The device exploded when he approached it after police received a call to investigate.

Mafia suspects held

Rome (Reuters) — More than 100 people, including a former priest, were arrested in a widespread swoop against Mafia suspects in Sicily only three months after a Palermo court sentenced 340 gangsters to long jail terms, police said yesterday. More than 1,000 officers took part in the operation which began two days ago and is continuing. Police said the operation was made possible because of information from Antonio Calderone, a "repentant" Mafia boss. Among those arrested was Agostino Coppola, a former priest convicted for Mafia kidnappings in the 1970s.

Super Tuesday victim

Kemp pulls out of presidential race

From Michael Binyon, Washington

Congressman Jack Kemp, once the shining star of the conservative Republicans, yesterday withdrew from the presidential race, after coming a distant fourth in the elections on Tuesday. He did not declare his support for anyone else, but left the way open for possible nomination as a vice-presidential running mate to Mr George Bush, the likely nominee.

Meanwhile, on the Democratic side, Mr Gary Hart — once the front-runner until the scandal involving Miss Donna Rice — is expected to announce in Colorado today that he is pulling out of the race as well. Since re-entering in November with little money or staff, he has been virtually ignored by voters. His withdrawal has been prompted by a threat to cut off remaining federal matching funds because he has done so poorly at the polls.

Mr Kemp, though withdrawing from the campaign, pledged to carry the flag for conservative causes, and said that the principles for which he stood were winning. He attributed his failure to the fact that it was his first presidential campaign.

When asked if it was his last campaign, he replied emphatically "No way," while his supporters chanted: "Kemp '92. Kemp '92." However, he announced that he will not run again for the House of Representatives, where he has served 18 years as congressman for Buffalo, Nor will he seek election to the Senate.

But in a hint that he might be available for the second spot on this year's Republican

ticket, he added: "Obviously one doesn't run for the vice-presidency — and I don't expect it."

In a cheerful and resolute speech that reflected the upbeat optimism of his campaign, Mr Kemp said he had "fought the good fight — long and hard and well". His supporters could hold their heads high because they had waged an "honourable, spirited and principled campaign on issues and ideas".

But he said there was a time to refrain, accept defeat in one battle so that he could move on to fight again. He saluted his fellow Republican candidates, particularly congratulating Mr Bush, and said the whole party was now conservative.

He insisted that, despite a political defeat, his ideas were winning: his support for the Strategic Defence Initiative, his refusal to raise taxes, anti-abortion and pro-family policies were all now accepted by all the Republican candidates.

The former professional football quarterback, and one of the architects of Mr Reagan's supply-side economic policies, won 35 committed delegates during the campaign. Most of them were handed to him by Mr Bush in a Michigan compromise designed to prevent Mr Pat Robertson from claiming victory there. On Tuesday, he won only four delegates throughout the 20 states.

Mr Kemp spent \$15 million (£8.1 million) on his campaign, and leaves with debts of less than \$100,000.

LEADING THE WAY TO THE U.S.A.

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Siberia's musical hijackers aimed for London

From Christopher Walker
Moscow

In one of the most bizarre hijackings ever attempted, 11 members of a Siberian family of musical entertainers tried to commandeer a Tu-154 Soviet airliner during an internal flight on Tuesday and force it to fly to London.

According to Soviet press accounts of the incident, which ended with an anti-terrorist squad storming the plane, the unlikely air pirates included an entire jazz ensemble from the Siberian city of Irkutsk called "The Seven Sirens" who smuggled sawn-off shotguns and explosives on to the plane in their instrument cases.

Tass, the official Soviet news agency, said that five of the family, the Ovechkins, were killed in the

operation as well as a stewardess and three passengers. A further 20 passengers are in hospital but their condition is unknown.

Izvestia said that the brothers were accompanied by their mother, Mrs Nina Ovechkin, a widow in her 50s who held the honoured title of "Hero Mother" for having 10 children whom she had brought up almost single-handed. It implied that three sisters were also involved.

The official government paper said that the family boarded the airliner in Irkutsk, where they were regular entertainers at the local council's cultural department, and several small children who were not identified.

They staged the hijack attempt after the stop-over at Kurgan, east of the Urals, demanding to be flown "to

a capitalist country, to London". Another Soviet paper quoted a note which they handed to a stewardess stating: "We demand a change of course. Fly to London. Or else we will blow up the plane together with the passengers."

Tass said that then "the pilots reported what had happened to ground control. The following plan was adopted for an operation against the criminals: they were told that a refuelling stop was needed to meet their demand and the airliner made an unscheduled landing."

"A task force was waiting for it at an airfield outside Leningrad. When its members made their way inside the plane, the terrorists opened fire."

Izvestia suggested that the storming of the plane was bungled. It

quoted the flight crew as telling the hijackers that they were landing at the Finnish town of Kotka, while in fact bringing the airliner down at a military airfield outside Leningrad where troops were ready to storm the board. As the plane touched down, both passengers and hijackers could see the soldiers running towards it, and it was at that point that the Ovechkins fired their first shots.

Five members of the anti-terrorist squad broke into the pilots' cabin and tried to storm into the passenger section from there, but the family fought them off in a vicious exchange of fire and they were forced to retreat with two of their number wounded.

Ten minutes later there was an explosion at the rear of the plane, apparently caused by the hijackers

and panic ensued as the airliner caught fire.

Izvestia quoted eyewitnesses as saying that in apparent despair, the Ovechkin brothers shot their mother and then two of them shot themselves. A third died in the explosion.

The account, much more graphic than anything which has appeared about previous Soviet hijackings, said that one of the musical brothers, Mr Igor Ovechkin, escaped with three small children through a hatch with other passengers and was later caught hiding in a car on the airfield. If convicted he and other survivors from the hijack team will face death by firing squad under Soviet law.

The paper said there had been a total of 76 passengers including the Ovechkins, four flight crew and three stewardesses on the airliner.

HOW LOW IS YOUR MORTGAGE RATE?

EEC follows Israel trade curbs with censure of violence

Strasbourg (Reuter) - The European Parliament delivered one of its harshest attacks on Israel yesterday - one day after rejecting trade accords with Jerusalem because of the violent conflicts in the occupied territories.

In an unprecedented decision, the Parliament used recently acquired powers on Wednesday to block three European Community trade accords with Israel.

The chamber, which had until recently been fairly muted in its criticism of Israel, followed up its move by condemning "the instances of torture, arbitrary arrest, reprisals, expulsions and all acts of violence committed by the Israeli Army against the Palestinian population".

It said: "The Parliament expresses its solidarity with the families of the victims, and more generally with all Palestinians throughout the region living in what are now intolerable conditions."

Members said that the attitude of the assembly had shifted against Israel partly in reflection of growing opposition among people in Europe to Jerusalem's harsh crackdown on the refugee

unrest in the occupied West Bank and Gaza Strip.

The trade decision means that the arrangements could have to be renegotiated.

M Claude Cheysson, the EEC Commissioner, said that while the accords were not very significant, the move was important politically. He told the Parliament: "The most important subject is the present tragedy in the occupied territories. We have to get down to the root causes of the situation. The cause is the occupation of these territories and the denial of these people's rights."

The trade accords would provide Israel with 63 million European Currency Units (\$77 million) in European Investment Bank loans and cut tariffs for certain Israeli exports, notably cut flowers. Diplomatic sources said Israeli exporters had already lost some \$50 million (£27 million) during the September-April season because of delays in approving the deal.

The accords also took account of the entry of Spain and Portugal into the EEC in 1986 by providing the same tariff reductions as for the other 10 members. The delay

on that part of the deal will hit both Israeli exports to Spain and Portugal as well as Spanish and Portuguese exports to Israel.

However, offering some hope for the future approval of the accords, M Cheysson said that progress had been made on a separate issue allowing Palestinians in the occupied territories to export their produce directly to the EEC without going through state marketing bodies.

In Israel, the Foreign Ministry said: "We regret that the protocol agreement was not honoured by the European Parliament. We feel that those who opposed the ratification were mistaken in doing so, and we expect that, with the necessary clarification, the issue will soon be brought again before the Parliament."

Mr Aryeh Nehamkin, the Agriculture Minister, said: "We fulfilled all our promises regarding export. In contrast to Israeli citizens, they (Palestinians) receive many privileges. The events in the territories alerted the members of Parliament and this is the result. It is more of a blow to the... relations than the economy."

Barriers on the West Bank



A Palestinian woman passing an Israeli soldier as she returns with her shopping to the Kalandia refugee camp on the West Bank yesterday. Cement-filled drums block vehicle access and force the camp's occupants to weave through narrow gaps to enter or leave.

Knesset MP sees growing danger of a settlers' uprising

From Ian Murray
Jerusalem

After a two-hour running battle between Arabs and Jewish West Bank settlers through the streets of Hebron late on Wednesday night, a National Religious Party Knesset member, Mr Haim Druckman, has said that it is only a matter of time before there is a settlers' uprising if the Government does not take tougher action against Palestinians.

He spoke not long after Mr Yitzhak Rabin, the Defence Min-

ister, said that protecting road links to Israeli settlements in the occupied territories was taking up to half of the army's time and was preventing it from seizing the initiative. The problem of restoring calm "would be much simpler if all the territory was Arab territory devoid of any Jewish settlements". He viewed recent clashes between settlers and Arabs as "a very grave development which will intensify the problem".

These remarks brought an outraged telegram yesterday from Mr Shlomo Katan, chairman of the

council of Alfei Menashe settlement in the West Bank. He accused the Defence Minister of dereliction of duty in sending soldiers without motivation to serve in the territories.

Clashes between settlers and Palestinians now occur on a daily basis. On Tuesday the Army had to intervene to separate settlers from Ariel and Arabs from the nearby village of Khaneh, which is said to be a base for youths stoning Israeli cars on the main road to the West Bank settlement.

A raiding party from Ariel was

said to have set two Arab cars in the village on fire and to have stopped Palestinians going to work in Israel. The settlers complain that their cars are constantly stoned and even petrol-bombed, and say that as long as they cannot travel in peace they will not allow the Arabs to do so.

They chopped down olive trees by the road which were said to be used as cover for stone-throwers. On at least one occasion the Army has had to evict settlers from the village when it went in to make arrests.

Mr Ron Nachman, the mayor of

Ariel, has meanwhile started a campaign for a much larger police force to help restore calm.

In Hebron the trouble began when Arabs found a Palestinian car on fire and blamed settlers for it. More than 100 Palestinians started stoning two small Jewish settlements.

The Jews called for help from the nearby settlement of Kiryat Arba and more than 100 people arrived. The running battle ended only when an army patrol intervened, firing live ammunition that wounded three Palestinians.

Trimmer Mitterrand cultivates his home turf

From Philip Jacobson
Château-Chinon

It was half blowing a blizzard when the helicopter carrying President Mitterrand back to his political homeland made a cautious approach to the municipal football stadium. Some of the locals waiting to cheer his arrival yesterday had warned us that the weather might keep him away.

But before the blades had stopped turning, the President was out and shaking hands, bare-headed in the biting cold.

Officially M François Mitterrand was in Château-Chinon to dedicate a new fountain in front of the *mairie*. Unofficially the large contingent of journalists who followed him here was hoping that he might choose the occasion of his return to the little town in Burgundy where he was mayor for more than 20 years to tell the nation if he is going to seek a second term in next month's presidential elections.

M Mitterrand did not

oblige, contenting himself with some wry observations about the charms of Château-Chinon that had drawn the media crowd all the way from Paris. The new fountain, an elaborate affair of coloured shapes, was duly initiated.

What the presidential visit did confirm is that M Mitterrand has lost none of his warm and personal touch. Dishing out decorations to local notables, breaking away from his dismaying security cordon to embrace an old friend in the crowd, he was utterly at home.

Try as they might, this does

not come easily to either of his two main conservative rivals. M Jacques Chirac, alias "the perpetual motion man", is always glancing, mentally at least, desperate to move on somewhere, anywhere. By contrast, M Raymond Barre's problem appears to be that he would prefer to spend his time on the campaign trail eating splendid lunches with the bastions of the bourgeoisie.

The more the shadow-boxing that constitutes M Mitterrand's pre-election strategy continues, the more one understands why he is intent

on exploiting the endless opportunities provided for addressing the French from the Elysée Palace. It hardly seems to matter to the public that he has cut and trimmed more than almost any contemporary French politician. "A President for all seasons" is how one of his aides describes him today, and towns like Château-Chinon endorse the judgement.

Four decades have passed since the youthful François Mitterrand first presented himself to the electors of the lovely Morvan region, but

plenty of people here still remember the eager young politician who chugged around the country roads in an ancient Citroën.

"We don't normally trust outsiders much, but he has never let us down and has always remained a friendly and approachable figure," says one businessman. "I still couldn't tell you much about his political philosophy, but I know that he cares deeply about this community and that is enough to get my vote."

It certainly does not hurt that M Mitterrand's concern

for Château-Chinon has contributed much to the town's evident prosperity. The area does not appear to be suffering much from the unemployment affecting other regions.

The fine highway bringing visitors up through the foothills of the Morvan range to Château-Chinon is also attributed to the Mitterrand years as local MP. As residents will acknowledge, it is a great help with the booming tourist trade attracted by the Musée du Septennat, stocked with the many and varied gifts he has received in his first seven years as President.

Before M Mitterrand arrived yesterday, a host of security men had descended upon Château-Chinon, levering up manholes for inspection, even testing the new fountain's mechanism.

A cheerful farmer who had driven in for the great day assured me that all this was quite unnecessary. "Tonton (Uncle) François has no enemies around here."

Pasqua plays the heavy on French television

Paris - *Ce terrible Monsieur Pasqua* is the title of a book just published about the French Minister of the Interior, M Charles Pasqua (Susan MacDonald writes). The man people love to hate did not disappoint viewers during a television interview on Wednesday.

M Pasqua wore his best hang-dog expression to describe the fate that would befall the French if they let the

Socialists back into power by re-electing President Mitterrand in the forthcoming presidential elections.

He was less at ease when questioned about the tactics behind his successful clampdown on terrorism, crime and delinquency in the two years the right-wing Chirac Government has been in power. There were questions about the tapping of journalists' telephones and a

plan to deport hundreds of North Africans, at present serving jail sentences in France, on the eve of the elections.

It was alleged the Government was planning a mass deportation before the elections in order to draw away votes from the National Front, which wants all North African immigrants expelled. M Pasqua said the move was an attempt to relieve overcrowding in prisons.

Discord in Suharto's Indonesia

General shatters serene consensus

From Gavin Bell
Jakarta

The final years of the long reign of President Suharto of Indonesia have begun in rare confusion and discord, with an unprecedented challenge to his authority.

It was a day of mixed fortunes yesterday for the 66-year-old former army general who has ruled the strategic archipelago with a firm hand for more than two decades.

After being elected unopposed for what is expected to be his last five-year term, he was confronted by disturbing evidence of unrest in the armed forces and an embarrassing political conflict over his choice of Vice-President.

There was no hint of dissent among members of the Consultative Assembly, a plenary session of Parliament, which approved his nomination in the customary manner by calling out "Seribu" (Agreed). But the applause had barely died away when a senior army

officer astonished the assembly by protesting about the selection of the Vice-President.

Brigadier-General Ibrahim Saleh, a floor leader of the powerful armed forces' faction (Abri) in Parliament, strode to the rostrum and declared that the military was troubled by rumours that the Vice-presidential election was not being conducted fairly.

His objection was cut short by officials who hustled him away.

The President has put forward Mr Sudharmono, the State Secretary and chairman of the ruling Golkar Party, and made it abundantly clear he does not wish his man to be challenged. But Dr Jaiiani Naro, chairman of the small United Development Party, has entered the race.

By Western parliamentary standards, General Saleh's intervention was mundane. In Indonesia's serene climate of government by consensus, it was dramatic. The incident

followed persistent reports that senior officers are opposed to Mr Sudharmono, who does not have a strong military background (an army lawyer rather than a combat officer) and is suspected of having had vaguely left-wing tendencies.

Analysts said it may also reflect antipathy between Mr Sudharmono and General Benny Murdani, who was replaced recently as commander of the armed forces. Both are among President Suharto's closest and most loyal aides, and General Murdani is expected to be given a key Cabinet post.

Dr Naro has no hope of being elected, but his action is seen as a cautious attempt to secure liberal reforms. Leaders of the five political factions met with the assembly chairman yesterday in an apparent attempt to resolve the issue by having Dr Naro withdraw his candidature, but he refused to do so.


Eventually a letter was dispatched to President Suharto,

who did not attend any of these proceedings, asking him in effect whether he would have difficulty in co-operating with either of the candidates. No response to this delicately-phrased question was immediately forthcoming, leaving the situation late last night in deadlock.


The assembly is due to decide on the issue today after President Suharto is inaugurated, and intense speculation continued over whether it would come to a vote.

President Suharto has stated unequivocally that he regards such practices as counter to the state ideology of *pancasila*, embodying a peculiar form of democracy by consensus.

There seems little doubt President Suharto will resolve the conflict with his customary machiavellian flair, but questions are beginning to be raised whether he may have miscalculated the cautious moves for greater freedom of expression.

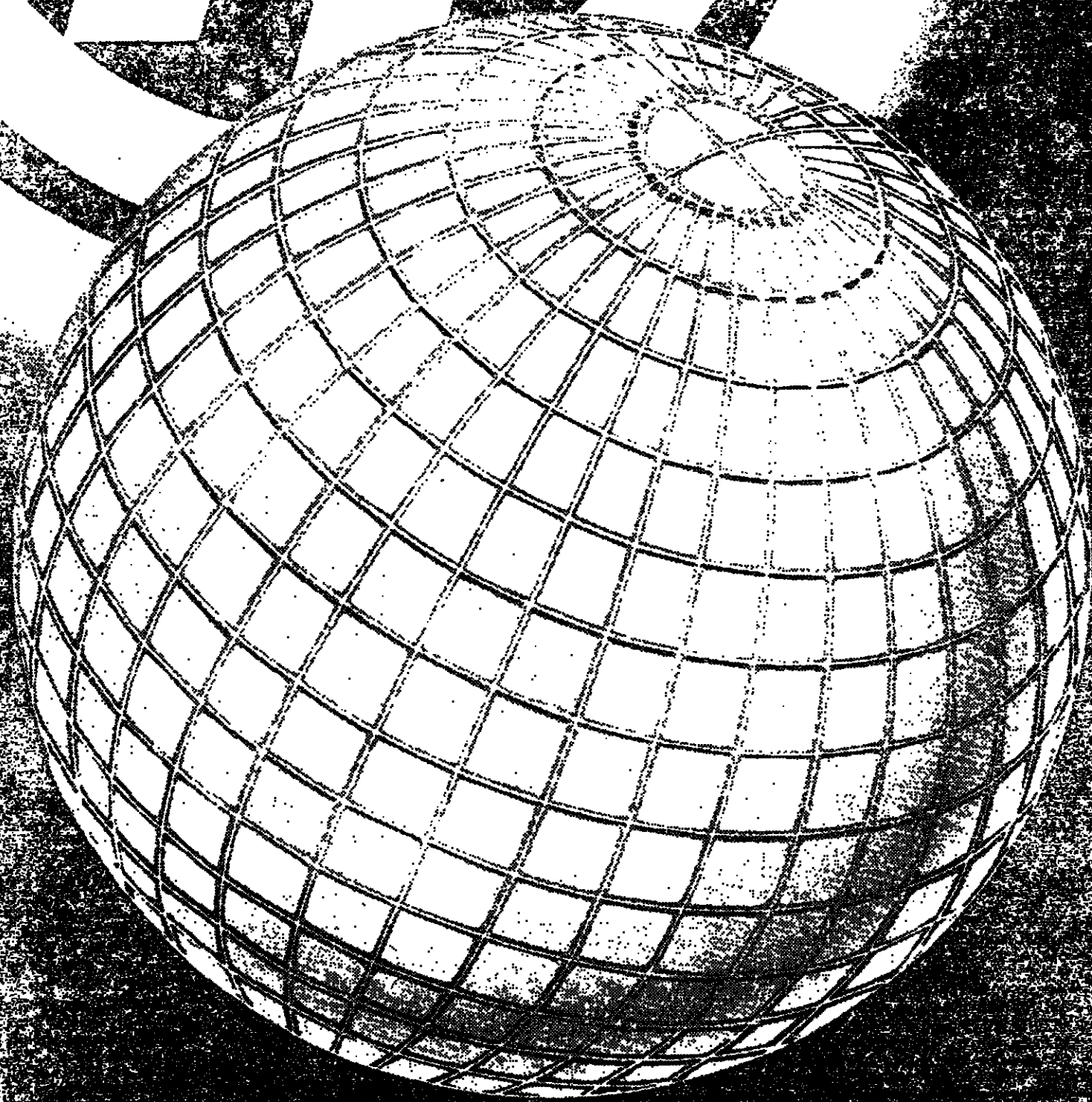
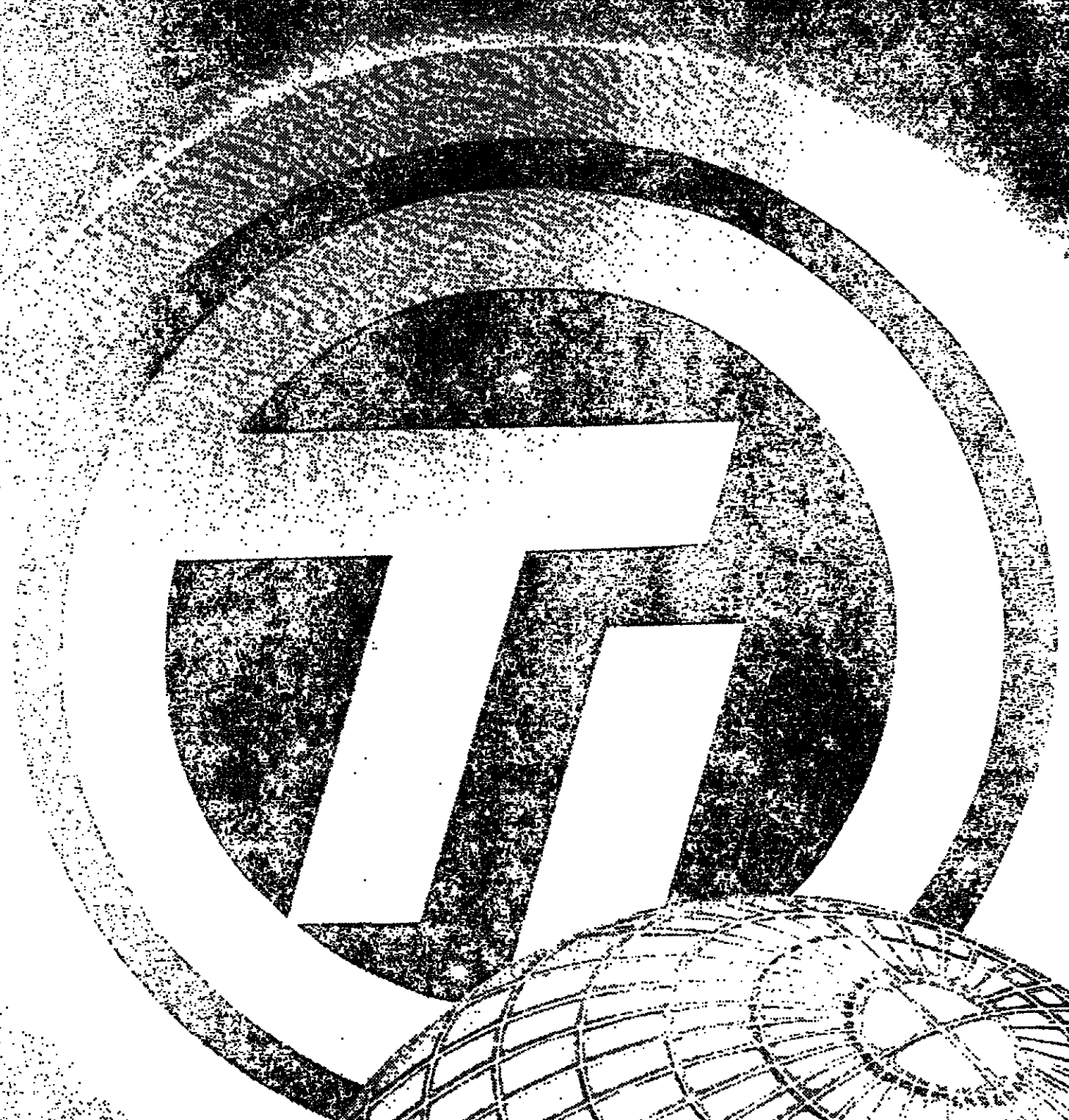

WILLIAM MORRIS DESERVES HANGING
This month's issue of the magazine looks at how Sandersons recreate the original wallpaper designs of William Morris - and the unique technique of hand block printing.
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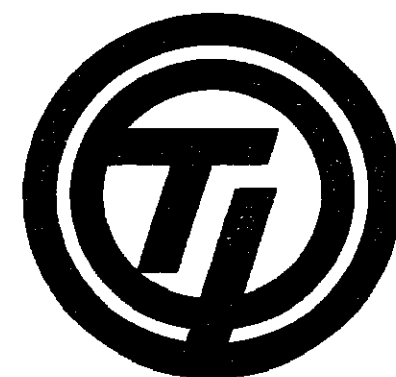
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- *Recommended dividend for 1987 up 25% at 10p (1986: 8p)*
- *TI enters 1988 with zero debt poised for growth.*



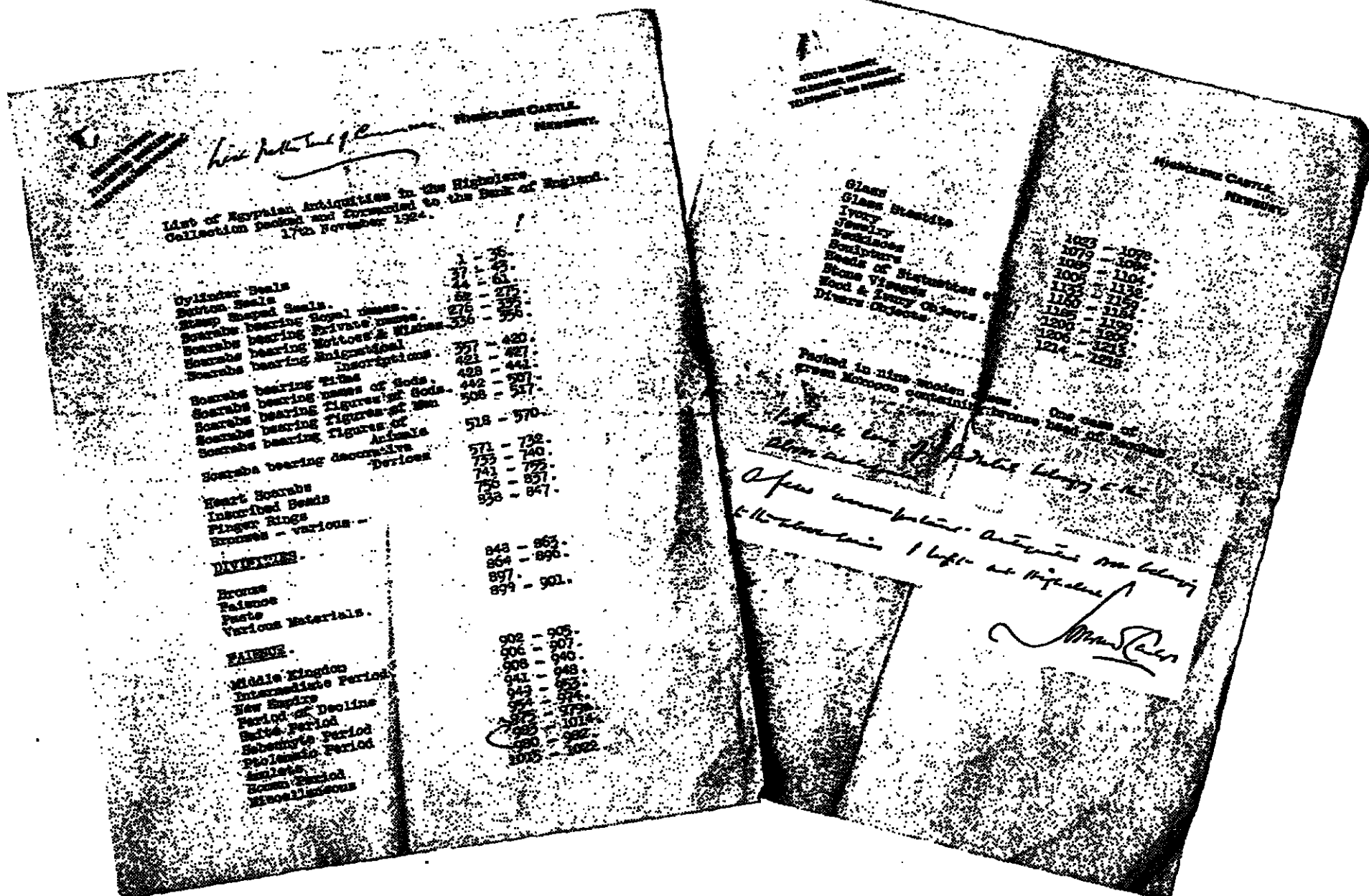
**THE STRATEGY CONTINUES
TO TAKE SHAPE**

For further information about the TI Group contact the Department of Public Affairs, TI Group plc, 50 Curzon Street, London W1Y 7PN.

Treasure hunt at Highclere



After the initial discovery of the Egyptian relics in a forgotten cupboard, Lord Carnarvon called in British Museum experts and a search of his stately home was organized. In a long-disused junk room, more of his grandfather's collection was discovered. It was a triumphal moment. A mystery that had been puzzling Egyptologists was solved at last and the final chapter written in the amazing story linking Howard Carter and the fifth Earl (together above) with the ancient kingdoms of the Nile. Bryan Appleyard reports



Cue to a collection: Howard Carter's inventory of the items sent to the Bank of England, with his postscript: 'A few unimportant antiquities not belonging to the above series I left at Highclere' (highlighted)

Secrecy was the first thing on the mind of the present Lord Carnarvon when he discovered the contents of the hidden cupboards. Anything Egyptian immediately evoked the name of Tutankhamun and he thought the newly-discovered pieces must be from the young King's tomb — treasures from one of the great archaeological finds of all time. If they were, they could start another row with the Egyptian Government as to who really owned them. As late as December 1987, the Egyptians were protesting about the sale at Christie's of a gold fragment said to have come from the tomb.

Sotheby's expert, however, soon made it clear that none of the material seemed to have any direct connections with Tutankhamun's tomb. "They said they were very interesting but they did not think they were from Tutankhamun," Lord Carnarvon recalls.

The contents of the cupboards were first taken by Sotheby's to London and then returned to Highclere, where Dr Nicholas Reeves of the British Museum began to study them more closely. He had been told of the find by his boss, Harry James, Keeper of Egyptian Antiquities at the British Museum, and sent to do further work on the objects at Highclere. In October, they decided to check elsewhere in



PHARAOH'S HOARD

the house. The first stop was a room once used by the fifth Earl as a darkroom.

This was in a remote part of the house, disused for years. It was next to a large room in which the sons of a member of the staff had played table tennis. It was dusty and full of junk.

"There were bits of wood on the floor that you wouldn't normally have noticed," says Lord Carnarvon. "They turned out to be shabti figures (funerary servants) and fragments of a jewel box. Dr Reeves just put the fragments together on the spot and there it was, a jewel box he had recognized from Carter's work. On one side of the room there was a glass display case and that turned out to be littered with antiquities."

"Dr Reeves was very excited. It was as if he had won the pools. This was his field, of course, and he had never expected to be involved in anything so important."

In addition, Robert Taylor, the retired butler, then remembered a piece of stone he had seen in a housekeeper's drawer. This turned out to be yet another treasure, a fragment covered in hieroglyphs.

In November, Lord Carnarvon was sifting through the mess in the darkroom once more and found, stuck to the old paint on the window sill, a miniature bronze axehead

and, under the radiator, a scarab, the sacred beetle of ancient Egypt.

In Highclere's Muniment Room, one last find awaited them. There, amid the old documents of the estate, was a large jar. They turned it round and discovered unmistakably Egyptian markings. It was one of the 13 alabaster jars discovered in the Valley of the Kings in 1920 and dug out of the ground by the fifth Earl's wife, Almina.

"I always knew there were pieces missing from Carter's excavations," says Dr Reeves, "but I never thought it was worth asking at Highclere — probably because I thought I would never get anywhere. I knew the Egyptian connection had been severed long before."

It was extraordinary to find myself having lunch there. It is a place with great romantic associations for anybody in my field — the place where Howard Carter, Tutankhamun and the fifth Earl of Carnarvon. Harry James says: "Carter was one of the first really modern excavators in Egypt. He showed an accuracy, care and system in his work which had been sadly lacking previously. This meant he could learn far more

from his finds than any previous archaeologist. The fact that many of these objects can be matched with his notes and his books makes them doubly valuable. It means we know exactly what they are and where they came from."

"The material from the tomb of Amenophis III is particularly important — the foundation deposits and the shabti figures are rather rare and choice. In this country we previously had very little material of this sort from the Valley of the Kings. I think it is, from a scholarly point of view, extremely exciting and it all remains to be studied. And, of course, there is the romance of the whole story."

Scholars had known of the pieces from Carter's notes and from his book, but they seemed to have vanished. The only clue to the fact that they were still at Highclere was Carter's note scribbled at the end of the list he sent to the Bank of England and that, too, had lain undiscovered at the Castle for more than 60 years.

Who put the objects in the cupboard remains a mystery. It is not even clear whether they were intended to be hidden. "It's difficult to say by just looking at the cupboards whether they were supposed to be concealed," Dr Reeves says. "I don't suppose any one person knows all the secrets of Highclere."

The current Lord Carnarvon knew nothing of their existence. "I lived in the castle until I went to the war," he says, "and I thought I knew every nook and cranny of the place," he says. "I was sure I knew Highclere better than



I thought I knew every nook and cranny of the place: the present Earl and Countess of Carnarvon at the home that held so many surprises

anybody, and I was sure there was nothing there.

"It's curious, but this is only the second thing I've ever gained from Tutankhamun. The first was during the war. I had three days leave in Cairo in 1943. I went there just for sightseeing and I didn't know whether I would have a room or anything. I arrived at Shepherd's Hotel and asked

for a room. They looked horrified. They told me they only took officers of field rank and above."

"Anyway, they asked for my name and when I said 'Porchester', a senior man behind the desk asked if I was Lord Carnarvon's son. When I said I was, I immediately got a room — some unfortunate Brigadier was thrown out.

Until now that was the only way Tutankhamun had really affected my life."

The sixth Earl finally died in September last year. Known as "Porchey", he had spent much of his adult life seeking the affection and attention denied him by his fierce father. In the '30s, and again in the '50s, he had found them both in the small, tight community of the country house set in which he lived. In the '70s, he even found them in a mass audience when he appeared on chat shows as a representative of all the lovable idiosyncrasy of the British aristocracy.

"He was variously," one obituarist wrote, "a soldier, sportsman, gentleman-rider, bloodstock breeder, landowner, clubman and bon vivant. He was also a pillar of the Ritz Hotel, an amateur actor, relentless raconteur and most uncompromising ladies' man."

"If anything, he was a dealer," his son says. "He never kept anything in bloodstock long enough to know if it was any good and, if he had a guest here who admired a lamp or something, he would ask them how much they would pay. He was a wonderful after-dinner raconteur but a poor actor. When he went on the Parkinson show I don't think Parkinson could get a word in edgewise."

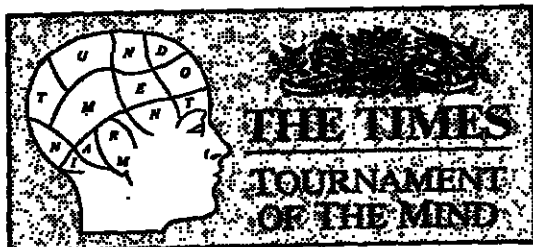
At the ages of 78 and 82 he even produced two books of memoirs: *No Regrets* and *Ermine Tales*. Both, his son says, are pretty inaccurate. In any case, by 1983, this larger than life figure had begun to shrink to something like life size. That was the last shoot-

ing season at Highclere and Taylor, now aged 70, retired. The difference between the sixth and the fifth Earls could not have been greater — it was the contrast between a cold, patriarchal Victorian and a red-blooded Edwardian. The seventh Earl, now 64, represents yet another type. A more sober figure than his father, his aim has been to keep the estate intact — his father was always in danger of selling things to anybody who offered a decent price.

He will finally succeed in defending Highclere and its 5,500 acres in July when it opens to the public. It has been designated a heritage estate and will thus no longer be in danger of being broken up by death duty demands.

"It is my view that we are all tenants for life," he says, "and I have used my tenancy to ensure that Highclere will never be broken up. It will always look the same."

Sixty days a year the public will be able to walk around Barry's impressive pile. But the high point of their tour will not be the Canaletto, the van Dykes or the desk and chair that once belonged to Napoleon. It will be the East Anglia Bedroom used by the present Earl and American wife, Jean, in the first years of their marriage. There they will see, on Perspex stands, the 3,000-4,000-year-old treasures that finally rejoined the destiny of Highclere with Thebes, the Valley of the Kings and with the meticulous genius of Howard Carter.



Tournament of the Mind

● Round 16 of *The Times* Tournament of the Mind, with a £5,000 prize awaiting the individual winner and an IBM Personal System/2 Model 30 computer for the top school.

ROUND SIXTEEN — QUESTIONS

1. MATHS. Score 16

The following diagram is a strange dartboard. Using five darts at a time you must discover how many different ways there are of scoring a total of 99. Once you have used a combination of numbers you cannot use it again in a different order.

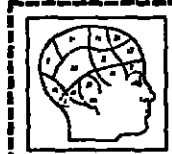
33	0
11	22
44	9
45	99

2. MISCELLANEOUS. Score 14

A long distance leaking tanker travels at a speed of 65mph leaving a trail of petrol behind it which ignited at the moment the tanker set off. The flames follow the tanker at a speed of 55mph. The tanker stops after 187 and a half miles. How long will it be, to the nearest second, before it explodes?

3. GENERAL KNOWLEDGE. Score 3, 4, 4, 4, 3

1. Which saint's day falls the day after Christmas?
2. Who wrote the novel *Main Street* in 1920?
3. Which legendary Greek craftsman is reputed to have built the labyrinth for King Minos of Crete?
4. In which city was the Hallé orchestra founded?
5. How many islands are there in the Piccola group?



ROUND 16 — ANSWERS
Cut out your answers and keep this coupon until Round 20. Answers will be accepted only on coupons printed in *The Times*

PUZZLES
Answer 1 _____ Answer 2 _____
Answer 3 _____ Answer 4 _____

GENERAL KNOWLEDGE
Answer 1 _____
Answer 2 _____
Answer 3 _____
Answer 4 _____
Answer 5 _____
NAME _____

The stars play the guitars — but who pulls the strings? In *The Times* tomorrow we look at what it takes to be a pop svengali. Plus: a two-page guide to the arts and music festivals of the year

The Findings column will be returning to this page next week

CONCISE CROSSWORD NO 1511

ACROSS
1 Heavy hawker birds (6)
4 Yanked (6)
7 Bomber (4)
8 Concocted (8)
9 Constitution (7)
11 Caulking fibre (5)
12 Aircraft film (2-6-5)
15 Find solution (5)
16 Rhine river's rock (7)
20 Obsessive bird-watcher (8)
21 First miracle town (4)
22 Tattered (6)
23 Stem flow (6)

DOWN
1 Pakistan capital (7)
2 S. Ken. art museum (1,3,1)
3 Opening (5)
4 Verdier panel (4)
5 Ukrainian capital (7)
6 Fact (5)
10 Two times (5)
11 Channel Island mol-lusc (5)
12 Fragment rhyming (5)
13 Tooth cavity plug (7)
14 Tombstone inscription (7)
15 Goutlike man (5)
17 Fragment rhyming (5)
18 Gain knowledge (5)
19 Shari River lake (4)

SOLUTION TO NO 1510
ACROSS: 1 Carafe 4 Spirit 9 Monarch 10 River 11 Byre 12 Muffed 14 Nicene Creed 15 Marital 19 Gawk 22 Roach 24 Imagery 25 Lessen 26 Adhere
DOWN: 1 Comb 2 Runny 3 Forcemeat 5 Per 6 Revolve 7 Tide 8 Chamberlain 11 Bin 13 Fireguard 15 Inroads 16 Dak 17 Amoral 20 Where 21 Tyke 23 Elie

Try all the questions — remember it's the top scores that count

4. LOGIC. Score 16

If a cat has three lives and a dog has four lives but a poor old ape has one life, how many lives has an elephant? You'll find a clue in the letters of the words.

5. WORDS. Score 16

Can you find a three lettered word that fits between the brackets in such a way that it completes the word on the left and begins the word on the right.

CAR (. . .) AR

TIMES DIARY

LORD ST JOHN
OF FAWSFLEY

The other day I was summoned by the Apostolic Nuncio, Archbishop Barabito, to visit him at his residence at Wimbledon. This has long seemed to me not only to be a highly inconvenient address but one with an oddly bourgeois ring for such an exalted personage. When the Apostolic Delegation (as it then was) was originally set up in 1935, it was looked on with the greatest suspicion by the English Roman Catholic bishops, who did not fancy having a papal agent to spy on them, and so an unobtrusive and distant habitat was chosen, leaving it to later generations to cope with the traffic jams.

The Bishop of London, when he still lived in the delectable Fulham Palace, used to keep a flat in central London for appointments; now Fulham is occupied by the local council and the Bishop's palace is found in Cowley Street. However, I digress. "I have," said His Excellency, "a great honour to confer on you from the Holy Father. Here is the *big ticket*." It's the hat, I thought, searching in my mind for the name of the last lay cardinal and coming up with that of Cardinal Mazarin in the 17th century.

I need not have bothered — it was an appointment to the Pontifical Council for Culture. This is a body set up by the present Pope to achieve in the cultural world what the Pontifical Academy has already brought about in the scientific one. The Council is anxious to promote cultural events in the member countries, and one which could be worth considering is an exhibition of contemporary ecclesiastical art and architecture, setting out what the Church is trying to say through this medium to the faithful and to the world in general.

I have secured one important ally in the president of the Royal Academy, Roger de Grey, so the dream could become reality. And perhaps His Holiness could be persuaded to come and open it.

Like many other people I am fascinated by owls, and last week I had a rare treat when I saw the magnificent form of a barn owl, with huge white and brown wingspan, sailing up and down a local hedgerow. The undulating nature of its flight is due to a search for food, voles, mice and small birds which shelter in hedges.

The ineluctable truth about owls, despite their near human eye placement, is that they are killers, concealing their cruel beak and murderous talons in attractive and downy plumage. Owls go back in history 60 million years and there are 133 living species. The Middle Ages was the great period for the English barn owl but the conditions of its habitat have so changed and man has turned himself into such a dread predator that it has become an endangered species.

Owls use their cries for mating purposes and for delineating hunting territory. They are also curious creatures. I have a silver owl whistle which I employ on summer evenings to carry out a dialogue with the neighbouring owl population. They never fail to respond verbally and from time to time one will turn up physically to see what is going on. In literature, *vide* Macbeth and Zuleika Dobson, owls are often harbingers of doom. The best *ecozoonism* on owls appeared in *Punch* in 1975: A wise old owl sat in an oak. The more he saw the less he spoke. The less he spoke the more he heard. Why can't we all be like that wise old bird?

BARRY FANTONI



"This one's tough. How many men hours does it take to find out who leaked Mrs Thatcher's letter?"

A number of readers have written to me questioning my statement that the House of Lords is self-regulating. What, they ask, about the Lord Chancellor? What, indeed, is he commonly regarded as an upmarket version of Mr Speaker, but he is not that at all, and simply presides benevolently from the Woolsack and occasionally puts the question.

Members of the Upper House are not called on to speak. They either put down their names in advance for major debates or else take pot luck at question time and the committee stage. But what happens if two noble lords rise to their feet at the same time? One will give way to the other with old world courtesy, but if they fail to do so, then their lordships will let their minds be known beyond peradventure. They call out the name of the peer they want to hear — Canterbury or London as the case may be — and that's that.

Another contrast between the two Houses occurs at prayers. Commoners pray standing up, the nobility fall to their knees. I asked the former Lord Chancellor, Lord Hailsham, who has experience of both Houses, for the reason. He didn't hesitate: "We are more pious than they are."

I am glad to be able to add an ecumenical footnote to last week's relay of the D'Oyly Carte opera company, for whom I vainly tried to get a grant from the Arts Council when I was Arts Minister. I can reveal that it was Sir Hugh Womack who persuaded the late Dame David D'Oyly Carte to alter her will and to leave the company more than £1 million which was originally destined for another charity.

Now Lord Forte has weighed in. Some years ago he set up the Gilbert and Sullivan Trust with Dame Vera Lynn as chairman. This week he has handed over the trust and given the cash balance of £60,000 to the new D'Oyly Carte. If the two men can co-operate in such a good cause might they not come to an accord over more controversial matters? Or is that being too Gilbertian?

Last week's series of articles in *The Times*, "The hidden powers of the taxman", suggested that the Revenue is aggressively exceeding its powers. In reply, Anthony Battisill says the public has no cause to be alarmed.

The many accountants I meet in the course of the year greatly value, as I do, the good working relationships which exist between the accountancy profession and the department up and down the country.

Our tax system is based on consent. There must be mutual trust between taxpayer and tax gatherer. Inevitably difficulties and disputes arise in individual cases: it would be surprising if that were not so. No one likes paying tax, and those trying to evade their share do not like being found out and brought to book. But those cases are in a minority, and they take only a small part of inspectors' time.

The Taxpayer's Charter, we have published sets out clearly the rights and obligations of taxpayers, and what they should do if they feel they have been unfairly treated. It rightly says: "You will be presumed to have dealt with your tax affairs honestly unless there is reason to believe otherwise."

We stand by that. So what about "the horror stories of

The Chairman of the Board of Inland Revenue defends the taxman

Another side to the coin

dawn swoops by teams of black-coated men clutching Gladstone bags" mentioned by the accountants in the first article?

The Revenue is empowered to search premises and remove documents where there are reasonable grounds for suspecting a crime involving tax fraud. No other major country tries to tackle fraud without a power of this kind. But Parliament has circumscribed its use carefully. Every case is scrutinized personally by the board beforehand. We must then satisfy a circuit judge that our grounds for suspicion, and our need to search, are justified. And we must take care to conduct our search in a proper manner, with full regard for the taxpayer's rights.

But the ordinary, honest taxpayer has nothing to fear. In the last three years we have used this power of search only 11 times, and the board's power to require taxpayers to produce documents in only 25 cases.

I deplore the use of terms like "hit squads" which are offensive as well as inaccurate. Certainly

part of our job is to track down people operating in the black economy trying to escape tax. Most people I meet think we are right to do so. Why, they ask, should some people get away with it when the rest are paying their tax promptly and without argument?

Every year, the Inland Revenue accepts without inquiry the large majority of business accounts. Currently we investigate only some 2 per cent of self-employed businesses, and 1 per cent of companies, where something seems to be wrong and profits may be understated, whether intentionally or not. That is our job and I believe the public expects us to do it properly. But most businesses, which deal with their tax affairs properly, are never likely to be the subject of an Inland Revenue investigation.

Nor, despite the remarks by the accountants Jeremy Allan and David MacLean, do we have "cash collection targets imposed... by government". I do not know where this idea comes

from. It is emphatically not true. What is expected is that we try to collect the right tax efficiently and effectively. After all, we are spending taxpayers' money as well as collecting it.

Promotion within the Inland Revenue does not depend on how much tax someone brings in, but how he or she does the job in the round. We do have efficiency targets these days, for the amount of work to be got through, for the number of cases to be settled, for assessments to be made by a certain date, and so on. But we do not believe in setting out inspectors' cash targets in terms of tax.

Of course, inspectors bring in a lot of extra tax that would otherwise probably not have been paid. About £750 million came in last year from investigation work of various kinds from adjustments to business accounts. Raising that sum from taxpayers generally would mean an extra penny on the basic rate.

To be more cost effective the department has certainly had to change. We are better now at

identifying cases that need investigation, and we spend as little time as possible troubling taxpayers whose affairs are broadly in order. That is why the proportion of investigations giving rise to interest and penalties has gone up, although the total has declined. It is not because of any new hard line by inspectors. Nowadays innocent taxpayers are less likely to find their affairs under investigation. And it is not a black mark if an inspector finds that everything is in order, closes down an investigation and puts the papers away.

We sometimes make mistakes. What organization dealing with over 25 million people would not? I regret them, because they can cause anxiety and distress. We are doing all we can to eliminate them. There are still too many communication problems between inspectors and collectors. Here our new computer systems should help to improve things.

The independent committee under Lord Keith of Kinkel mentioned in the articles, which

looked into the powers of the Inland Revenue, described the broad approach of our inspectors on investigations as "reasonable and appropriate". And they concluded that "it is therefore necessary for the revenue gathering departments to have an adequately equipped armory of coercive powers to deal with the recalcitrant minority". They recommended that we should give more explanation to taxpayers under investigation. We have done so, and a new set of leaflets, available from tax offices, tells taxpayers about investigation and what they should do if they become involved.

The last article in the series posed a number of questions for the Inland Revenue. I have already answered most of them. We do sometimes ask taxpayers to prove their case, but that is because only they know the full facts about their circumstances.

We were asked why taxpayers fear that if they complain they will be "hounded" for years afterwards. The answer is that they need not, and I should like to hear from anyone who feels that he or she has been hounded. The board would certainly not countenance bullying of any taxpayer. Our staff are public servants. They are there to serve the public, and that is what they want to do. Most people I talk to think they are succeeding most of the time.

Christopher Walker

His year of ruling dangerously

Mikhail Gorbachev, who last week quietly celebrated his 57th birthday, today begins his fourth and most testing year in office. Unpredicted by even the most perceptive of Kremlin watchers, the anniversary is taking place amid the worst crisis of his leadership: the ethnic violence in Armenia and Azerbaijan which, in his own words, threatens to undo what has been achieved in the Soviet Union over the past 70 years.

Until last month, when hundreds of thousands of disaffected Armenians began marching on the central square of their capital, Yerevan, 1988 had been seen as a year that would be dominated by the Kremlin's economic reforms, which have now reached the crucial stage when lofty words are being replaced by often painful reality. But the emotions stirred by the tiny, Azerbaijan-ruled enclave of Nagorno-Karabakh and the bloodshed it has caused, have ensured that Gorbachev and the 18 other Politburo members have had to turn their sights to the nationalities problem. As he told a plenary session of the Communist Party Central Committee even before the rioting, it is now "the most fundamental, vital issue of our society".

Despite the creation of an array of committees that would do Whitehall proud, the Armenian-settlement deadline of March 26 for settlement is approaching without any sign that Gorbachev will be able to offer the republic what it wants. The feelings of its inhabitants, meanwhile, have been heightened by wild claims that they are facing a repetition of the 1915 massacre (at the hands of the Muslim Turks).

Gennady Gerasimov, the Kremlin spokesman now uncomfortably in charge of a sudden reversal of *glasnost*, told reporters seeking information: "You should look at Article 78 of the Soviet Constitution." To those familiar with the docu-

ment it was the broadest hint yet that the boundary changes being demanded by the Armenians will be resisted.

The article states: "The territory of a union republic may not be altered without its consent. The boundaries between union republics may be altered by mutual agreement of the republics concerned, subject to ratification by the Union of Soviet Socialist Republics."

The Azerbaijanis, handed Nagorno-Karabakh in 1923, have made it clear in the starkest possible fashion that they are not now prepared to hand it back to Armenia (whose connection with it goes back to AD 1) without a struggle. In fact they have launched a systematic campaign of telephone threats designed to force the Armenian majority of the mountainous region to flee.

"It was a problem that Gorbachev needed like a hole in the head," a European diplomat said. "At the very moment when his reforms were meeting their stiffest resistance, along came this uprising, which his opponents have blamed on liberalization and *glasnost*. It will have had the dangerous result of uniting his enemies."

These had already begun to gather strength because of the streamlining which has cut the staff of government ministries by 50 per cent, much reduced take-home pay in many enterprises where shoddy goods have not reached new quality limits, and provoked rumours that peppercorn Soviet rents (about £12 a month for the average family flat) will rise.



"It is vexing... and unpleasant when workers receive less. But how can we pay full money if it is not earned?" Gorbachev told workers at a Moscow factory last week. "And all because previously things worked according to the principle: whether you turned out the goods or not, of good quality or bad, you still got the money. And what was the result? Resources were used up, labour was expended, money paid out and there were no goods. Is this the way to live? Of course not."

Another Muscovite, an office worker in his 30s with a wife and child, put it differently: "The Soviet papers are full of *perestroika* (restructuring), television is full of *perestroika*, but we know that so far it means very little. People joke about it, but in their hearts I do not believe they think it will ever work."

Despite the confident tone of his conclusion there are still millions of Soviet citizens — their ambitions worn low by the lies and overblown bureaucracy which has been the legacy of Stalinism — who, if given the choice, would settle for the easy life in which the party takes all the decisions and they rub along without any need for exertion. In such a world, unemployment, which now appears as a real possibility, would not exist.

As one of them told me, with an openness of which Gorbachev would have approved, but voicing sentiments which he would not: "There is a lot of talk about change. But for us the only changes have been for the worse. Many people feel that their jobs are threatened, and their standard of living appears likely to go down, while in the shops it is still the same: *nichevo* (nothing)."

Another Muscovite, an office worker in his 30s with a wife and child, put it differently: "The Soviet papers are full of *perestroika* (restructuring), television is full of *perestroika*, but we know that so far it means very little. People joke about it, but in their hearts I do not believe they think it will ever work."

Gorbachev — luckily for his supporters — is one of those politicians who thrive on problems and whose energy is in no way diminished by difficulties. "We have inherited a good deal of what cannot be got rid of at once. But we are not falling into panic or euphoria. We have taken principled decisions on restructuring," he told the Austrian Communist Party leader,

Franz Mubri, during a Kremlin meeting a few days ago.

With 60 per cent of all Soviet enterprises obliged since January to organize on a self-financing basis, Gorbachev is now known to be looking to June 28 as the key date to push forward his reform programme and to overcome the bureaucratic resistance that has proved even stiffer than expected. That day will see the opening in Moscow of the 19th All Union Communist Party Conference, the first for 47 years and one which the reformers — badly bruised since the sacking of Boris Yeltsin as Moscow Communist Party leader — hope will enable Gorbachev to chop away the dead wood within the Central Committee, which makes policy at its twice yearly meetings. Many of its 307 members are still left-overs from the Brezhnev era, now officially described as "the period of stagnation".

The reformers, who (like Western Kremlinologists) are now busy hunting through the history books for precedents, note that two previous party conferences, in 1912 and 1917, elected wholly new central committees and that three, in 1912, 1919 and 1922, drafted new rules governing the party.

Selection of the 5,000 delegates begins next month and the media are already devoting space to putting over the message that it will be a make-or-break trial for the reform drive. The rumour-mongers have hinted that the reactionaries may try to use it as an occasion to overthrow Gorbachev.

Because of the umbilical connection between domestic and foreign policies, his position at the conference will be greatly strengthened if he can boast a successful Moscow summit with President Reagan, scheduled a few weeks before. Among the Soviet people, it will be stronger still if by then the first troops have begun taking the dusty road home from Afghanistan.

Commentary • ROBERT KILROY-SILK

Licensed to kill?

The full details of how the three unnamed members of an IRA active service unit, Mairead Farrell, Daniel McCann and Sean Savage, were shot dead in the streets of Gibraltar last Sunday by members of the British security services will probably not be known for some time, if ever.

But what we do already know about the incident should prompt some worried but direct questions about the operation by those who acknowledge the need for our police and Armed Services to be strictly controlled and disciplined and, above all, subject to the rule of law. That has not happened.

Yet we know that the terrorists were unarmed. We know that they were shot dead. We know that no one has been arrested, detained, or even named as the killer.

We are told by the Foreign Secretary, Sir Geoffrey Howe, that the terrorists "made movements which led the military personnel operating in support of the Gibraltar police to conclude that their own lives and the lives of others were under threat. In the light of this response," he explained, "they were shot dead."

Is this absolutely accurate? Were the terrorists challenged, warned and ordered to surrender? Did the "military personnel" indicate that they would shoot if their orders were not heeded? Did the "military personnel" comply with the guidelines laid down for the police in Britain when using weapons in public places? These are important questions which cannot be avoided merely

because those killed were terrorists. The questions cannot be evaded because of a natural and justified sense of relief that, had their bomb been detonated, hundreds of soldiers and civilians might have been killed or maimed. Nor is the killing of the bombers vindicated, or justified as some now pretend to believe, by the fact that the bomb has been discovered. That is irrelevant to the manner of their deaths.

These questions are important, not out of any concern for terrorists. They are crucial because we have certain standards of civilized behaviour to maintain. We don't have a policy of "shoot-to-kill" — or at least no government has been prepared to admit as much, and no Parliament has sanctioned one.

We do not give licences to kill to anyone, not even to the most esteemed members of the SAS. Neither, nor anyone else, not even a triumphant Prime Minister, has been given the authority to act as judge and jury and public executioner. We have not determined, yet, that anyone is above the law.

Above all you would expect to see these anxieties expressed in the House of Commons. This country, after all, is the mother of parliaments, and Westminster is renowned for its defence of minority and civil rights. These are reasonable and legitimate questions to expect of the Opposition, at least.

Instead, the chief Opposition spokesman on foreign affairs, the normally sensible and reasonable George Robertson, appeared more anxious to join in

the back-slapping of the Services and the Government than to discover the truth. Terrorists, he said, "must be dealt with," as if that justified peremptory killing, and he talked of the need for us not to be "squeamish".

Only Eric Heffer sought to raise a few queries. Only he had either the courage or the intelligence to voice the anxieties that any decent democrat must have had running off the tip of his tongue. It comes to something when we cannot rely on a single government backbencher — when we cannot depend even on Her Majesty's Opposition — to ask the obvious and necessary questions, and to hold the Government to account.

It really is a sorry state of affairs in which we have got ourselves when the best man at the party is Eric Heffer. It doesn't say a lot for the reputation of Parliament, the credibility of the Opposition or the courage of backbenchers of all parties.

Those normally assiduous in upholding the sanctity of the rule of law when it relates to striking miners and left-wing demonstrators seem able to dispense with the legal niceties on this occasion.

That won't do. That makes us no better than the terrorists themselves. Indeed, it makes us worse. Whatever the IRA is, and I have no time for its policies, its nasty methods or its evil personnel, it isn't hypocritical. We are in danger, not only of being perceived to have double standards, but also of having a flexible attitude to the rule of law. That is the quickest way to authoritarianism.

SCIENCE REPORT

Chinese takeaway

Washington

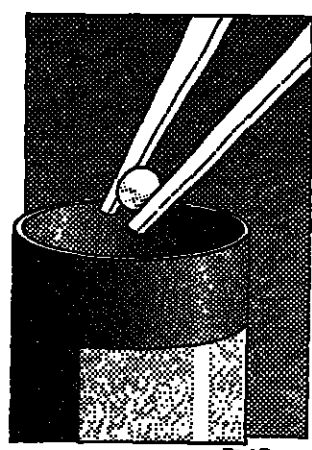
Thanks to the Chinese government, Western scientists are about to be given free access to the largest mass of information on diet and disease ever collected. This has emerged from evidence recently given to a congressional committee by T. Colin Campbell, professor of nutrition at Cornell University.

For five years, teams of Chinese researchers have been collecting information from 6,500 people living in 130 villages selected to cover areas with different incidences of disease, different ways of life and different local foods. The researchers analysed what the villagers ate, recorded details of their life histories and took blood and urine samples.

The samples were sent to the world's best analytical laboratories so that measurements could be made of hormone, vitamin, mineral and cholesterol levels, of antibodies to viruses, and of many other factors that give clues to health and disease.

Altogether 350 categories of information were recorded. That, multiplied by the number of people surveyed, and given the huge variations in diet and disease from village to village, provides a massive data base ready to be mined. Plans are already being made for decades of further surveys.

China is perhaps the only country where the links between diet and disease may be unravelled. Rural Chinese



Paul Bryant

still spend their lives in one area, eating locally grown foods. From place to place there are enormous but stable variations in diet.

The frequency of diseases also varies greatly. In one village deaths from one kind of cancer are several hundred times higher than in a village in a neighbouring province.

In the West, variations in disease incidence are quite small. Nor does diet vary much, now that the same hamburgers are eaten from London to Los Angeles. And children raised on roast beef may be eating yogurt and bread before they have reached middle age, making it impossible to link disease to any particular factor.

The Chinese are much more stable. The government also has the capacity to organize

large-scale surveys which, if carried out in the West, would be very costly.

The Chinese data are now being compiled by Richard Peto of Oxford University, who collaborated with the Chinese from the start. But some 9,000 of the results came from Campbell, who described the survey to a congressional committee in Washington which is seeking advice to clarify "the confusion spawned by the proliferation of dietary advice".

Campbell attributes part of the confusion to research that has been narrowly focused on single causes. The Chinese study will look at the overall pattern of diet and lifestyle. Some 9,000 significant associations between disease, mortality rates and diet have already been detected, he says.

Some associations will be found spurious but others may reveal new links between diet and disease once the data are thrown open for investigation by researchers throughout the world.

One surprise revealed from the preliminary analysis is that Chinese people take in some 20 per cent more calories than Americans. But there is very little obesity among the Chinese, showing that a high-calorie diet need not cause excess weight. Different levels of exercise may provide part of the explanation. But other factors are waiting to be found.

ALUN ANDERSON

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TESTS FOR THE TESTERS

Whether or not the reported clash between the Prime Minister and Mr Kenneth Baker over school testing is the baloney Mr Baker says it is, the leaked letter that prompted the reports raises issues which are fundamental to the Government's whole programme of education reforms. That the letter was leaked to the Opposition at all suggests that someone, somewhere, is intent on muddying the waters, if not undermining the whole scheme.

The reforms will stand or fall by the precision with which parents and others are able to measure what pupils, teachers and schools are achieving in relation to the proposed national curriculum. The tests will have failed if they do not allow those outside the classrooms to judge the effectiveness of the work going on inside them. They will have failed also if they do not set teachers and pupils of all abilities challenging and realistic targets.

To meet these requirements, the tests must set objective standards of attainment related to the ages of seven, 11, 14 and 16 at which pupils will take them. The results, in aggregated form, must be capable of being published and allow comparisons to be made between classes, schools and local education authorities.

That is what Mrs Thatcher wants. It is also what Mr Baker wants. It happens to be precisely what Professor Paul Black and his colleagues proposed in the report they published two months ago to (until now) eerily universal acclaim. And there's the rub. In the present climate, any education proposals that are greeted with equal enthusiasm by the Government, the Labour Party and the National Union of Teachers must be, at the very least, capable of divergent readings.

Mr Baker, as he admitted yesterday, was almost overcome with relief to find a group of education specialists prepared, contrary to the inherited wisdom of their kind, to countenance written, age-related tests and the compilation of league tables. The National Union of Teachers and their friends in the Labour Party became quite misty-eyed at Professor Black's

suggestion that the written tests should be supplemented by teachers' assessments and that the results should be used to diagnose what help pupils needed.

Their vision clouded, perhaps, with so much emotion, neither side was seeing too clearly. This is rarely a fault of the Prime Minister's. She complains, with justification, that the way Professor Black proposes to achieve his ends is too complex and costly — an objection Mr Baker now says he shares. She also dislikes the heavy reliance on the involvement of teachers and local education authorities in testing. The possibility that personal likes and dislikes will affect the assessment of pupils is always a danger when teachers administer tests in the classes they teach. Given that the tests are supposed to measure the performance of teachers and local authorities too, their concern is understandable. It is not hard to see how their traditional hostility to any such idea could lead to issues being fudged, if not to outright sabotage.

The problem, as Mr Baker and Professor Black have seen it, is how to drag the education establishment in the direction they want to go. The proposals are elaborate because they are designed to reassure everyone. Mrs Thatcher, probably correctly, believes that ambition to be doomed. Her bitter experience at the Department of Education and Science between 1970 and 1974 taught her that the juggernaut never actually changes direction. She also believes it is driven by quibbling with left-wing sympathies — a suspicion that will be confirmed if the leak of her private secretary's letter is shown to have emanated from the department's headquarters at Elizabeth House.

Wherever it came from, the leak effectively ends an unlikely honeymoon that was never to the Prime Minister's taste. Professor Black's scheme will have to be simplified and the Labour Party and the teachers will not like that at all. But Mr Baker must be used to their opposition by now and should be prepared to override it.

AUSTRIA LOOKS BACK

Fifty years ago today, Nazi columns with Hitler at their head marched into neighbouring Austria to unite the German peoples for one brief tragic period in their history. This was never going to be a happy birthday; more a time for grim analysis than celebration. But the way in which attention has been refocused on Austria and its President during the last 12 months, has made it a particularly embarrassing moment for Vienna.

Whereas the West Germans have clearly done penance for their Nazi past, the Austrians, it is said, do not even comprehend that they have anything to regret. Instead, they have pretended their Nazi phase did not happen, and not only elected Dr Waldheim in the face of searching questions about his past, but — in many cases — have defended their choice of President ever since.

Yet Hitler was born an Austrian. Austrians as well as Germans guarded the concentration camps. Above all, there is a common perception that their country may have escaped too lightly at the end of the war — when it was accepted as a victim, rather than an accomplice, of Nazi Germany. The land of the *Sound of Music* is also remembered as that in which crowds gathered to welcome Hitler's invading army half a century ago.

Austrians to some extent have a right to feel hard done by. This reading of history for instance, fails to acknowledge the character of the time. Nobody can understand that period which thinking was dominated by the fear of Leninist Bolshevism and the international revolution. Now, even the Russians are being brought to acknowledge the extent of Stalin's terror. Only Austria, it seems, is loath to look back.

Yet when Austria was invaded, those Austrians who hated the end of their independence greatly outnumbered those people in the West who seriously objected on grounds of principle. Ominous though the

Anschluss was, there were many people in the democracies who said that the Austrians were, after all, Germans with at least as much in common with their neighbours the Bavarians, as the Bavarians had with the North Germans.

It is clear now, as it was then, that there was nothing the western democracies could do to prevent the Anschluss and nothing the Austrians could do to save themselves. Of course, the Nazi bacillus had already spread to many and the instinct for self-preservation spread it further once the Anschluss was a fact. To many more who were not Nazis in the worst sense the idea of One Germany was compensation for the collapse of the Hapsburg Empire.

There were also bad people who were willing to serve in the SS and in concentration camps and there was a traditional element of anti-Jewish feeling, especially in Vienna. But this was true of other parts of Central Europe as well. There were Lithuanians and Ukrainians willing to serve Hitler, sometimes for the worst of reasons, sometimes out of understandable hatred for Stalin. There were many Poles and others who were anti-semitic. Much evil was unleashed and few altogether escaped it. It will become the rest of the world to shrug off its own past by placing a magnifying glass over Austria.

Austria, however, would do well to reach for one itself. While it is an ancient and highly civilized country which has enriched European culture for many centuries, the Waldheim affair — 50 years after the Anschluss — reflects a tarnished image of the Austrian nation. It is regrettable that the darker side of its history should be recalled now. It must seem especially sad for the new generation of Austrians who belong to the very different postwar world. But this poignant anniversary, and the embarrassment which surrounds it, is an appropriate time for Austria to renounce its Nazi past — and those who played prominent parts in it.

SUTHERLAND'S LAW

Mr Peter Sutherland, the European Commission's energetic Irish competition commissioner, has made his presence felt by securing tougher conditions for British Airways' takeover of British Caledonian than those agreed by the Monopolies Commission and Lord Young. In doing so, he has scored a point over Britain's national merger regulators and shown that interference from Brussels can sometimes help British consumers.

British Airways initially dismissed the Brussels intervention after it had agreed with the Monopolies Commission to mitigate the anti-competitive effects of the merger. So did most domestic commentators. Mr Sutherland very quickly changed their minds.

Brussels has pinpointed the same issues as the Monopolies Commission, but has built on the original domestic compromise. As a result, British Airways has been obliged to give more specific commitments — for instance, on reducing its share of traffic movements at Gatwick — which should ensure opportunities for smaller airlines on European routes.

The European Commission has been trying to open up competition in European air travel for years and break down the old cartel of national monopolies. The modest liberalization finally agreed by member governments last year owed much to its efforts. That agreement gave Mr Sutherland good reason to intervene in the BA/B-Cal merger. He could, however, only do so after the event.

The commissioner has rediscovered the strong executive powers established under Articles 85 and 86 of the Treaty of Rome which cover restraint of competition and abuse of a dominant market position. They were reinforced by a decision of the European Court last November, that permitted him to set

conditions for mergers with potentially anti-competitive effects in the European market. He is now attempting, 14 years after the first Brussels proposal, to establish a regime for vetting in advance the largest mergers involving business in more than one Community country.

The new draft EEC merger policy sent to member governments earlier this month severely limits the number of mergers which would fall under vetting from Brussels. It also offers speedier decision-making in response to earlier objections (from Britain among others) to the prospect of a duplication of bureaucracy. At the same time, Mr Sutherland has made it clear that if trade ministers do not rapidly agree to an EEC-wide merger policy, there is scope for more extensive use of the blunter weapons at his disposal.

Lord Young's latest proposals for domestic control of cartels and restrictive practices are designed to fit in with the powerful regime under the Treaty of Rome. But his recent merger policy statement does not take account of the EEC dimension. The Department of Trade and Industry is reserving its position, even in principle, and has yet to give Mr Sutherland's proposal a high priority.

This looks inconsistent for a department anxious to make British industry aware of what difference the impending single European market will make. It implies a common policy for vetting the effects on competition of mergers of businesses operating outside national markets. A common policy would not just restrict mergers further. It would also stop the nationalistic vetoes on cross-border deals which many member states impose. Britain, which is fairly open to foreign control of domestic companies, should welcome that.

Paying price of failure to invest

From Sir Geoffrey Chandler
Sir, The debate on next week's Budget has been conducted almost exclusively in terms of reduced taxation or increased expenditure on the National Health Service. Yet the money available to the Chancellor arises in significant degree from the fact that as a country we have spent less than our competitors, both corporately and nationally, on education at all levels, on training, both of shopfloor and management, and on non-defence research and development, all fundamental to industrial competitiveness. We resemble a company rich in cash through having skimped on investment and training.

In 1992 these deficits, unless remedied, will be exposed to the full force of competition from within the European Community. Even with hugely accelerated programmes we will need to be lucky as well as skilful if we are then to be able to compete on equal terms.

To look to Government alone to remedy these deficiencies would be naive; to absolve Government from any responsibility equally so. A Budget which does nothing to encourage a significantly greater investment in the human resources of the country will assist in guaranteeing a continuation of our competitive inferiority.

The final verdict on what the Chancellor does or does not do on March 15 will only come when it is too late to remedy if he gets it wrong.

Yours faithfully,
GEOFFREY CHANDLER,
46 Hyde Vale,
Greenwich, SE10.
March 8.

Tax returns

From Mr H. H. Leedale
Sir, Your series on the power of the taxman (Spectrum, February 29-March 4) makes me more than ever glad that I have long since retired from the Inland Revenue Department of which I was proud to be a member for over 40 years.

In my early days we were taught always to treat taxpayers and their agents with courtesy; my first divisional chief would send us memoranda on drafting, a few doggerel words of which stay in my memory after 55 years.

And will they please remember too. Words like forthwith are still taboo. A gentle "now" slipped in between. Will say as clearly what we mean.

Some of the tactics of today's Revenue men are in reaction against those of an increasing minority of the people they have to deal with. Knowing when to remove the kid gloves comes with experience and good training and the haemorrhage of staff inevitably leads to bad decisions and the loss of public good will. I am, Sir, your obedient servant,
H. H. LEEDALE,
Lavender Cottage,
Yew Tree Lane,
Rotherfield,
Crowthorne, East Sussex.
February 4.

From Lieutenant-Colonel G. D. P. Young

Sir, Any foreigner reading your recent articles would have come to the conclusion that all tax inspectors are bloodsuckers doing their best to squeeze the last penny from the hapless taxpayer.

This really is not so. As a general commissioner of taxes and a worker for the Citizens' Advice Bureau specialising in tax problems for our clients, my own experience is that inspectors are helpful and courteous. They have a difficult and thankless task to do requiring perception and tact which they show, sometimes even with humour.

My only complaint is the long time it often takes to get a reply to a letter, but this, I understand, is due to shortage of staff and overwork.

Yours faithfully,
G. D. P. YOUNG,
St David's,
Box Lane,
Minchinhampton,
Stroud, Gloucestershire.

Victims in Romania

From Professor Norman Stone
Sir, The situation in Romania continues to cause concern. Father Imre Tempfli, a Roman Catholic priest, has not been seen or heard of since December, shortly before he had been seriously injured after a car without number plates approached him at speed. It is feared that he may have suffered the same fate as Father Jerzy Popieluszko, and have been murdered.

There is also concern over Dan Petrescu, a writer who recently gave an interview to the French magazine, *Libération*, which was highly critical of the Ceausescu regime. A vicious attack upon him followed in the Romanian magazine, *Contemporanul* of February 26. Such attacks are usually a prelude to further arrest and imprisonment, at the least.

Newspapers in the West have been quick to respond to the fate of those who have challenged the authorities in Eastern European countries, especially Poland and Czechoslovakia. Romania, so creatively and oppressively run, nevertheless contains people of great courage, who deserve from us the same kind of attention as they make their stand against this appalling regime.

Yours,
N. STONE,
Worcester College, Oxford.
March 7.

Three violent deaths in Gibraltar

From Dr Julia Hebdon
Sir, I seem to be almost alone in feeling both repugnance at the summary execution of those three Irish terrorists in Gibraltar, and deep dismay at the almost unanimous approval of this action.

I am frequently shaken with rage at the barbarous methods of the IRA, and I am sure our police and Army feel the same; but I am a member, and they the guardians, of a supposedly civilized society whose laws are not those of the jungle nor of the terrorist. Of course we are fighting terrorism with one hand tied behind our backs — tied by our sense of justice and human dignity — but that is the price we must pay if we are to have a society worth preserving against terrorism.

There should be a thorough inquiry to find out why these criminals could not have been disabled rather than killed. Slaughter, perpetrated or plotted, by our enemies cannot excuse slaughter by ourselves.

These events in Gibraltar — even more so — public approval of them have taken this society, and all its members, a step towards the moral barbarism that we are supposedly fighting. Yours faithfully,
JULIA HEBDON,
47 Windsor Road,
Arundel Park,
Chichester, West Sussex.

From Miss Gillaine Dellipiani
Sir, As a Gibraltarian student in the United Kingdom I was both shocked and distressed to learn of the intended IRA terrorist attack on Gibraltar. It is difficult for me to express my anger and outrage at the events which took place this past weekend. I would like to congratulate the British, Gibraltar and Spanish authorities in the effective prevention of this cowardly assault.

Although it is indeed regrettable that the IRA squad were unarmed,

the three terrorists knew the dangers and it was their choice to expose themselves. But were any of the victims of previous IRA attacks given this choice? Were those at Enniskillen, who the people of Gibraltar and the rest of the world have been allowed to choose their fate?

I am therefore outraged by the Irish Government's call for an official inquiry. Whether these terrorists were armed or unarmed is not the issue; the main point is that a cowardly and vicious attack was prevented.

Finally, I would like to applaud the attitude of the people of Gibraltar at today's changing of the guard ceremony. Although not used to the fear they have been subjected to, more Gibraltarians than ever turned out to watch today's ceremony. I join my people in their stand against those who seek to massacre and bomb and terrorize in order to achieve their own ends.

I remain, yours sincerely,
G. DELLIPIANI,
66 Auckland Avenue,
Hull, Humberside.
March 8.

From Mrs Monica Wilson
Sir, The Government's logic would appear to be faulty. The explosion of a bomb during the changing of the guard in Gibraltar was not averted by the death of the three IRA terrorists. It would not have exploded if the three people had merely been arrested, because the plot had already been uncovered.

Furthermore, the reaction of unarmed men to their pursuit by men with weapons is surely either to freeze or to run as fast as they can. They do not make threatening gestures which they are unable to back up with any action.

Yours faithfully,
MONICA WILSON,
6 Garway Road, W2.

Copyright anomalies

From Mr Philip J. Circus

Sir, The Copyright, Designs and Patents Bill is proving a major headache for the Government, not least because some of its provisions will result in greater unfairness.

Nowhere is this more obvious than in relation to the Government's wish to do away with the current provision in section 4 of the 1956 Copyright Act by which the commissioner of photographs, portraits and engravings is the first owner of the copyright therein. The Government's only justification for doing away with this provision is that it is anomalous *vis à vis* other commissioned work.

The removal of this anomaly has implications not just for the advertising industry, but for every person in the land who commissions photography — weddings, babies, family portraits, graduations; the list is endless. As the Bill currently stands, it is the photographer who will be the automatic owner of the copyright and he will be entitled to use those photographs in any way that he chooses, including ways which may well be

to the prejudice of the original commissioner.

On February 23, during the report stage in the Lords, the Government promised to consider a further amendment to the Bill which would require the "private" commissioner of photography to have to give his consent to any further use by the photographer. This would mean that the wheel had come full circle and one anomaly had been replaced by another. But worse still, why should commercial commissioners be so unfairly treated, particularly when the latter may well have had a significant creative input into the resulting work?

The answer is to give commissioners, whether private or commercial, the copyright in commissioned photography. And if the Government is still concerned about anomalies this principle should be extended to all work that is commissioned and not just photographs.

Yours faithfully,
PHILIP CIRCUS
(Director for Legal Affairs),
Institute of Practitioners in Advertising,
44 Belgrave Square, SW1.
March 2.

Hospital closures

From Lady Rees-Mogg

Sir, Before the Secretary of State, Mr John Moore, makes any decisions about the future of the Westminster Hospital it might be prudent for him to ask for some relevant figures.

What was the projected cost of building St George's Hospital, Tooting, the Royal Free Hospital, Hampstead, and the Charing Cross Hospital, Fulham, and what was the actual final cost?

Polytechnic rumpus

From the Director of the Polytechnic, Wolverhampton

Sir, Much of Mr Levin's article entitled "An academic fascist's nest" (February 29), based on a single recent incident in this polytechnic, is strongly to be commended. He does, however, exaggerate greatly the extent to which the issue has dominated the polytechnic and the effect which small, even though vociferous, minorities have upon a large and diverse institution such as this.

He is correct in his assessment that the polytechnic did everything within the limited powers available to ensure that a forum for the expression of views, however controversial, was available, and that the security arrangements surrounding the event were as comprehensive as possible. Given the sensitivity attaching to race issues in the multicultural community we serve, we could have banned the meeting. But the principle of freedom of expression is too important.

However, Mr Levin does little to promote the case for more explicit legislation by his use of such emotive language. His assumption that the campus is rife with "fascist" does a grave disservice to the polytechnic and its students — the vast majority being responsible, law-abiding citizens, part-time as well as full-time students, mature post-experience adults as well as the formerly typical 18-plus students. By his choice of language he fosters the exaggerated sense of self-importance of the minority groups who flout the laws of the land.

Yours faithfully,
M. J. HARRISON, Director,
The Polytechnic Wolverhampton,
Wulfruna Street,
Wolverhampton, West Midlands.
March 1.

Harking back to 1688

From the Earl of Perth

Sir, Re Lord St John of Fawley's Diary column (March 4) is it too late to reconsider the celebrations planned to commemorate the "Glorious Revolution" — neither "glorious" nor a "revolution" but so called by later propagandists? Its sequel — the Irish and Welsh problems — the persecution of Catholic and other religious minorities for 150 years and the end of Scottish independence — are still with us.

Crown, Government and both Houses of Parliament are invited to celebrate — so will the Orangemen and the National Front. The organisers now plead it is to commemorate our subsequent relations with the Dutch — a specious pretext.

Bloodshed lies ahead and the revival of old hatreds is the best to hope for. As a Catholic and a Scot I shall take no part. Are others of like mind, and could not the tercentenary trustees turn their energy and enthusiasm to charitable purposes?

Yours truly,
PERTH,
House of Lords.
March 6.



ON THIS DAY

MARCH 11 1948

Steady communist infiltration into key departments of the Czechoslovak state paved the way for a communist takeover (with Soviet backing) in February, 1948. Jan Masaryk (1886-1948), the Foreign Minister, widely respected in the West, became increasingly gloomy about his prospects and those of his country. None the less, by no means everyone believed that he died by his own hand.

JAN MASARYK'S SUICIDE IN PRAGUE

JUMP FROM APARTMENT WINDOW

It was announced in Prague yesterday that a State funeral would be given to Mr. Jan Masaryk, the Foreign Minister of Czechoslovakia, who had committed suicide by jumping from the window of his apartment in the Foreign Office...

PRAGUE, March 10
A deep shadow has been cast over the whole country by the news of the suicide of Mr. Jan Masaryk, the Foreign Minister.

President Benes was informed this morning by Mr. Nosek, the Minister of the Interior, and Dr. Clementis, the Secretary for Foreign Affairs, who made a special journey to the President's country home to tell him. Mrs. Benes immediately came to Prague to see Dr. Ales Masaryk, Jan Masaryk's sister. The relations between the two families have been so close, extending over the whole period since Thomas Masaryk and Dr. Benes worked side by side to create the Czechoslovak State during the first world war, that the news, coming at such a time, must have been especially poignant. It is not surprising that Dr. Benes has so far refrained from giving public expression to his grief. Jan Masaryk was the one man in the present Cabinet on whose support Dr. Benes could have always relied.

This afternoon the Cabinet held a special meeting at which it was decided that Masaryk should receive a State funeral. It is understood that he will be buried in the family grave at Lany.

According to an official announcement he was found dead under the window of his official apartment. This morning, it was added that the probable cause of his action was "illness and insomnia". Mr. Nosek, in his speech to the National Assembly this afternoon, said that a number of telegrams from England and America had been found in Masaryk's room approaching him for the part he had played in recent events. "For my own part," Mr. Nosek went on, "I consider his attitude was very manly and heroic. His depression in the early hours of this morning must have been very great, and recriminations from the west must have increased it."

According to the official account Masaryk had shown no signs of mental depression on the previous evening, but on the contrary had displayed his usual optimism. Those who saw him at the weekend, however, were shocked at his appearance. Sunday was the 98th anniversary of his father's birth, and the date public mourning as usual with Masaryk's death. The President's son took no part in them this year. Had he done so he would have heard General Svoboda, the Minister of Defence, acclaim Thomas Masaryk as one who would have approved the regime to which he himself (Jan Masaryk) adhered for a short while, only to dissociate himself from it within two weeks in a manner which leaves no possible doubt of his attitude towards it...

Tablets of stone

From Mr C. A. Whittington-Smith

Sir, The article on lapidary phrases (March 2) and Mr H. L. Alexander's letter (March 5) bring to mind the tablets in which which bears the simple inscription, "Cheerio, till we meet again". Is some slight doubt permissible in interpreting this? Yours faithfully,
C. A. WHITTINGTON-SMITH,
Grendon, Hydro Close,
Baslow,
Bakewell, Derbyshire.
March 7.

From Mr Stewart Fairlie

Sir, A real zest for living is expressed in a headstone in Clachan Duich burial ground in south-west Ross-shire. After the deceased's name and lifespan is the inscription, "And I enjoyed every minute of it". Yours faithfully,
STEWART FAIRLIE,
27 Erskine Street,
Aberdeen.
March 7.

From Dr Patrick McGrath

Sir, In a graveyard in Co. Kerry there lies a stone, on which is inscribed:
This stone was raised by Sarah's lord
Not Sarah's virtues to record,
For these are known to all
This stone was laid
to keep her down

I am, Sir, etc,
PATRICK G. McGRATH,
18 Heathermount Drive,
Crowthorne, Berkshire.
March 5.

[illegible]

THE ARTS

In whose interest?

Television has a habit of clasp to its bosom those whose physical disabilities are grotesque and whose determination to overcome them may be held up as a paradigm of the unquenchable human spirit. Such programmes feed off the able-bodied viewer's pity, guilt and fear — precisely the reactions that the new orthodoxy of wheelchair-propaganda decries.

Alison John is a long-serving heroine of these latitudes, an athletic spastic whose refusal to succumb to the vegetable life has been saluted in a *Man Alive Special* and again in the first series of

TELEVISION

40 Minutes. Last night's *40 Minutes* (BBC2) brought her story up to date, with her wedding to a rugby-playing curate of hideous joviality and her stubborn search for a full-time post as a youth worker.

Despite her perpetual physical wobble and agonizing speech defect, Alison is very winning and rather radiant, and the documentary had its work cut out in tacitly inviting wonder that she had found a husband — even one who apparently loves God more than he does her. In the absence of direct contrast with coeval victims of the same condition, the perspective was both monotonous and open-ended.

This Week (Thames) did a typically dogged job on a scandal involving nuclear waste disposal in Germany, though taking its time over deciding which line of attack to adopt. The reporter John Taylor's exposure of handsome *doctores* (cars, holidays, prostitutes) fell down with its revelation that none of this is in fact illegal. But then, neither is prurient interest.

The concluding report, on the possibility of an Islamic H-bomb being constructed through the aid of corrupt Euro-entrepreneurs, was decidedly more alarming.

Martin Cropper

Ecstasy in the Café

DANCE

Triple bill Covent Garden

The imaginary Penguin Café, which Simon Jeffes and David Bintley described on this page on Wednesday, turns out, in *Still Life at the Penguin Café*, its Covent Garden incarnation, to be suitably marbled and gilded but needing to be propped up by scaffolding.

Some of its patrons have penguins' heads, others merely dress to resemble them, in white shirt-fronts and black tails. The waiters, whose spritely agility never interferes with the equilibrium of the drink trays, are of the (extinct) great auk species.

The "still life" of the title is a cabaret presented by various exotic creatures: Deborah Bull in a Utah longhorn ram's head partnered by Guy Niblett in a glamorous exhibition dancer; Bruce Sansom twitching and running enormous distances as a Texan kangaroo rat, red-necked in dungarees; Fiona Brockway, hopping impressively as a Humboldt's hog-nosed skunk; Rita and leading five Alpine gentlemen a lively dance.

Things begin to turn more sinister when Philip Broomhead, as a Southern Cape zebra, expires after performing a witch doctor's ceremony, while bored ladies in dis-



Witch doctor's dancing ceremony before expiry: Philip Broomhead as a Southern Cape zebra

concertingly similar black and white striped skirts promenade and posture. The mood darkens further when Cynthia Harvey and Jonathan Cope, as near-naked savages, grow alarmed at the fate in store for them and their dark-eyed child (played with great aplomb by Sonia Noy, a very young ballet pupil).

The efforts of Stephen Jeffries, as a Brazilian woolly

monkey, to cheer everyone up are short-lived. It soon becomes clear that the drinks are running out, the acid rain is falling, and we are all endangered species.

Bintley manages, somehow, to keep a great deal of energy going in his exuberant and inventive choreography, even while conveying this message, and at the end, gives a hint that while there's still life,

there's still hope — provided that we start building our ark straight away.

Although it has a serious point, *"Still Life" As the Penguin Café* must be the most cheerful and amusing new ballet at Covent Garden for well over a decade. Jeffes' music remains almost as funny and as disturbingly strange in its adaptation for a conventional orchestra, as on the

original recordings by his own band, and the Covent Garden players under Isaiah Jackson give it a zest to match the happenings on stage.

Hayden Griffin's series of colourful and meticulously detailed back-drops, different in shape and size, but displayed, sometimes for moments only, within a permanent dark surround, enhance the action as much as his ingenious, equally well observed, fanciful costumes.

Above all, it is the originality of Bintley's concept and the flair with which he has carried it out, that win the day, together with the ecstatically lively and diverting performances.

The new work was preceded at last night's premiere by two Balanchine ballets. *Serenade*, to Tchaikovsky's *Serenade for Strings*, has long been familiar here. Patricia Neary supervised this revival and assured vibrant, vivid dancing from the women of the *corps de ballet* as well as from a good group of principals.

Bugaku is new to the Royal Ballet repertoire, although New York City Ballet showed it at Covent Garden in 1965. It was much liked then, but Toshiro Mayumura's Japanese music for a Western orchestra got a throat-clearing reception from this audience, and Balanchine's classical ballet treatment of a Japanese wedding night looked contrived and sometimes coy.

John Percival

Dazzling British début by dance duo from Israel

Two Room Apartment The Place

Liat Dror and Nir Ben Gal, two dancers from Israel, have begun to make a reputation in the past two or three years both at home and abroad, winning prizes for choreography in Tel Aviv and Cologne and mounting works in Holland and for the Kibbutz and Batsheva dance companies. *Two Room Apartment*, which was their

British début at The Place on Monday, is a dance by and for the pair of them.

They perform within the framework of metal tubes, indicating the boundaries of their rooms, but also the constraints of society and the barriers people put up round themselves (design by Yael Pardess). All those aspects are suggested by the action.

At first they stretch, fidget, gradually gather impetus, until they are striding round and round, joining in

the marching song provided by Ori Vidislavski's soundtrack.

Released from what seems an obsessive but joyful task, they explore a personal relationship that switches mood frequently between affection, desire, and rejection.

The treatment of the movement is minimalist; everyday gestures and actions repeated sometimes over and over, but it avoids the aridity that can afflict this style by its concentration

on revealing human feelings. There is considerable variety within some of the repeated passages and also in the duration and pacing of the various episodes.

The quality of production and performance put this a cut above anything else I have seen or heard reported at The Place during its present dance season. A pity that they played to a smaller audience than some far less gifted groups.

J.P.

A pure original

CONCERTS

Hilliard Ensemble Brompton Oratory

Having heard Arvo Pärt's *St John Passion* the day after Sofia Gubaydulina's symphony, one is bound to conclude that Holy Russia lives. The tranquil, quiet but inextinguishable modal chant of Pärt's setting recalls plain-song, and it echoes too with the Catholic polyphonic tradition and, almost inevitably, German devotional drama. Yet these correspondences seem by the way: the work is calmly and purely original, and deserves to be heard by large audiences on its Arts Council tour.

One audible sign of Pärt's originality is the way in which his lines, though always simultaneous, never in counterpoint, still are heard as separate, largely because each is so clearly defined by its minimal material. If things instantaneous are experienced as distinct, one is in the

curious position of hearing any moment in two, three or four different ways, all at the same time: it is a bewildering effect, unlike anything else in music, and sustained to great variety through the 70 minutes of a score laid out for modest resources of voices and instruments.

Within this austere world, sudden change can be momentous, as when the counter-tenor of the Evangelist quartet holds a note at the point of Peter's third denial, or when the single word "flagellavit" is measured out in long values, or when the tenor Pilate drops to his lowest register when he first has to say "crucify". The most abrupt surprise, though, comes at the end, when the music comes down to earth and to D major for a closing, glowing prayer.

This rapid, suave performance, by the Hilliard Ensemble, the Western Wind Choir and an instrumental quintet under Paul Hillier, is on tour in southern England during the next 11 days.

Paul Griffiths

LMP/Glover Queen Elizabeth Hall

To say that an orchestra is full of good players sounds rather like criticism in the guise of praise. But remarks like this are sometimes offered in homage to the London Mozart Players. It is the woodwind who are most often singled out for praise, and listening to the flute and oboe exchanges in the third movement of Haydn's 80th symphony, one could see why: utterly winning playing, delighting in its elegance, yet never falling into self-admiration.

Under Jane Glover's direction, they gave the kind of performance Haydn receives all too rarely: affectionate, attentive to detail, buoyant and skilfully paced — perhaps a little short on punch on the outer movements, but altogether showing this ceaselessly inventive piece in a very favourable light.

A similar intelligent care

was discernible in the LMP's accompaniment to Mozart's 23rd piano concerto, their concern for fine expressive pointing occasionally suggesting the influence of period performing style.

But, while soloist Stephen Hough showed full command of the longer phrase, his playing offered fewer expressive nuances along the way. And I would have liked to have heard his reasons for substituting his own cadenza for Mozart's.

Quite where Jonathan Harvey aspires in his liturgical-based works isn't easy to tell. As in several recent Harvey pieces, a kind of quest for perfection seems to underlie the conception of *Easter Orisons*, but while the process is audible, the manner is largely ungratifying.

One longs for a single instrumental line to break free. A few moments of angular melody for oboes and horns in the closing pages prove to be too little too late.

Stephen Johnson

Beyond Brecht



Caught up in messianic fervour: a tangle of members of the aptly-named Wrestling Company

THEATRE

The Last Supper Royal Court

Hard on the heels of the Almeida's crusading production of Howard Barker's *Possibilities*, comes this Leicester Haymarket/Royal Court co-production by the Wrestling School: a company formed for the specific purpose of performing Barker's plays, and for whom he wrote this piece. Its subject (no sneer intended) is the gathering of a charismatic leader's disciples.

Not for the first time, Barker takes his starting point where Brecht comes to an end. "The people are the city" the plebeians chorus, in Brecht's version of *Coriolanus*. In *The Last Supper* this recurs in a prologue where the people declare themselves to be God: a proposition which the piece goes on to examine in a reworking of the Last Supper.

diversified with a succession of eight parables illustrating the prophet's teaching.

The setting is Barker's characteristically devastated domain: a desolate church in a war-blasted landscape, where one by one the disciples arrive through Dermot Hayes's icon-studded door. There is a cook, a scavenger, and others identified in the cast list with professions that get no expression in the text. The dialogue is in Barker's vein of lyrical disgust, interspersed with stinging epigrams and down-to-earth insult. "Only she who looked fatal to digest could be lured to my sack", announces the dog-catcher of the diseased bitch he has snared for dinner. Otherwise the tirades of luridly eloquent speech tell you little about the characters, and least of all about the prophet, Lvov, who is not feeling too good and takes some rousing from his hammock.

Judging from the parables, though, Lvov is a prophet of strength. Most of them feature

three soldiers who wander over the Mother Courage-like landscape declaring "We never kill anybody", and thus coming off badly at the hands of the rest of the population — birched by monks, cheated out of an easy rape, and lumbered with the wardrobe of a lady looter.

One of them even undergoes a virgin birth, only to be scared off stage by his progeny — a smirking infant in white muslin dandling a hand-grenade. One gets really fond of this luckless trio.

What they mean, though, is that Lvov is losing his grip over the faithful; and after a culinary fiasco with the inedible dog (staged by Kenny Ireland as a conscious echo of the blasphemous Last Supper image in Buñuel's *Viridiana*), Lvov at last comes clean and announces that he is the dinner.

Useless for Philip Sayer to protest "I've changed my mind" as the eager diners press forward to plunge in their knives, followed by an uncouth visitor who backs off one of his fingers as a marketable relic. It is certainly alienating, even if it does outdo the Polish torturer in *Possibilities* for unintended farce. The big question that remains is whether (as promised at the outset) this act of homicidal transubstantiation counts as the defilement of the people, or as a means of conserving the saintly victim's myth.

Barker demonstrably attracts actors: but on the strength of these two productions I am not convinced that it is for the best reasons. Apart from the soldiers and Meg Davies's drawlingly sardonic first killer, no character emerges; heightened speech, violent action, and hurling choric defiance at the house are no substitute for that.

Irving Wardle

MUCH ADO ABOUT NOTHING

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Mozart — Eine Kleine Nachtmusik
Mozart — Violin Concertos 3 & 5
Mozart — Violin Sonatas

Mozart — Serenade
Mozart — Symphonies 38 & 40
Mozart — Salzburg Symphonies
Mozart — Symphonies 35 & 36
Nagy — Romantic Piano Favourites Vol. 1
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Schumann — Carnival/Papillons
Tchaikovsky — Romeo & Juliet/1812
Tchaikovsky — Nutcracker & Swan Lake
Tchaikovsky — Symphony No. 5
Tchaikovsky — Sleeping Beauty
Various — French Festival
Various — Famous Operetta Overtures
Various — Invitation to the Dance
Various — The Best of French Ballet
Various — Russian Festival
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CLASSICAL ROCK

THE TIMES INFORMATION SERVICE

This selective guide to entertainment and events throughout Britain appears from Monday to Friday, followed on Saturday by a preview of the week ahead.

Items for inclusion should be sent to The Times Information Service, PO Box 7, 1 Virginia Street, London E1 9XN

BOOKING KEY
★ Seats available
★ Returns only
(D) Access for disabled

FILMS

Also on national release
= Also on booking possible

BARFLY (18): Charles Bukowski wrote the script for this humorous, semi-autobiographical look at life in a seedy Los Angeles bar. With Mickey Rourke as a self-styled poet of the bottle, and Faye Dunaway as his equally alcoholic companion. Barlet Schroeder directs (99 min).
Cannon Fulham Road (01-370 2636). Progs 2.00, 4.30, 7.00, 9.25.
Cannon Fulham Road (01-370 2636). Progs 1.45, 3.55, 6.15, 8.35, 11.20.
Cannon Oxford Street (01-330 0310). Progs 2.00, 4.05, 6.20, 8.35, 11.15.
Cannon Premiere (01-439 4470). Progs 1.40, 3.45, 5.50, 8.05, 10.10.
Screen on the Edge (01-439 1527). Progs 1.40, 3.40, 5.40, 7.00, 9.00.

CRY FREEDOM (PG): Richard Attenborough's bumper bundle of exciting spectacle and liberal sentiments, with Kevin Kline as Donald Woods and Denzel Washington as Steve Biko (158 min).
Empire Leicester Square (01-200 0200). Progs 2.00, 4.40, 8.40, 11.45.
Cannon Fulham Road (01-370 2636). Progs 1.25, 5.00, 8.30.

FATAL ATTRACTION (18): A spurned lover (Glenn Close) takes revenge on Michael Douglas, his wife (Anne Archer) and family. Adrian Lyne directs this unsettling thriller (119 min).
Cannon Baker Street (01-935 9772). Progs 2.30, 5.20, 8.10, 11.15.
Cannon Baywater (01-229 4149). Progs 4.50, 8.25, 11.15.
Cannon Edgware Road (01-723 5901). Progs 2.30, 5.25, 8.20, 11.15.

THE LAST EMPEROR (15): Bertolucci's gorgeously photographed epic tells the extraordinary story of P'u Yi, China's last imperial ruler, who lived to become a model Communist citizen. With John Lone. Peter O'Toole (182 min).
Odeon Leicester Square (01-930 6111). Progs 12.15, 4.00, 7.45, 11.45.

NO END (18): Poland's martial law comes under the microscope in this striking drama by Krzysztof Kieslowski. With Grazyna Szapozowska as the grieving wife trying to pick up the pieces after the death of her husband (Jerzy Sadowicz) (108 min).
Renior (01-837 8402). Progs 1.50, 4.10, 6.25, 8.45.

NO WAY OUT (15): Polished version of a film noir classic, The Big Clock. Gene Hackman plays the Defence Secretary with a come to cover up. Kevin Costner is the luckless investigator. Roger Donaldson directs (114 min).
Cannon Baker Street (01-935 9772). Progs 2.00, 5.55, 8.40.
Cannon Pantons Street (01-930 0531). Progs 2.15, 4.45, 7.15, 9.45.

WORD-WATCHING
TELEGRAPH: (a) Overhead traction by electric cable from which cars are suspended, coined by the electrical pioneer Fleming Jenkin (1833-1885) from the Greek *tele* and *graphia* to carry.
HISTOGRAM: (a) A statistical graph in which frequency distribution is shown by means of rectangles, from the Greek *histos* a mast or web, plus *-gram*.
CHOP-SLOPP: (a) Slangy martial arts shoot-and-slash flick, from a pun on chop-suey and the slang *suey*, to *hit* with side of hand.
WINCHESTER GEESE: (a) Successive Bishops of Winchester owned the land and the nearby houses on the South Bank where the celebrated local industry operated over the river and out of control of the City Fathers; Winchester geese helped to fund New College, Magdalen, and Corpus.

THE BRISTOL EXPRESS company begins a four week run at the New End Theatre in Hampstead tonight (see listing) with *Cherry Play* by Jonathan Wolfman (above). Set in Liverpool, it is an adult comedy which explores the pains and pleasures experienced by a group of children growing up in the Sixties. Established in 1978, the Bristol Express is a touring company which has gained a reputation for its productions of plays by new writers. It won three awards at last year's Edinburgh Festival.

THE BROWNING VERSION/HARLEQUINADE: Rattigan's comic play, now cast led by Dorothy Tutin and Paul Eddington.
Royal Theatre, Portugal Street, WC2 (01-434 0403).
Tues, Thurs, Fri 7.30-10.15pm. Mon and Tues 7.30-10.30pm, Sun 2-5pm and 7-10pm, 8-10pm.

CHILD'S PLAY: See caption.
New End Theatre, New End, NW3 (01-794 0022). Tues: Hampstead, Mon-Sat 8pm, 8.30pm.

THE BEST OF FRIENDS: Dramatized correspondence between Shaw, Ibsen, and the director of the Fitzwilliam Museum. Brings Gielgud back to the West End stage. Extended until April 23.
Apollo Theatre, Shaftesbury Avenue, W1 (01-437 2663). Tues: 8pm, Sat 3pm, Sun 2.30-5.15pm.

BLACK HEROES IN THE HALL OF FAME: Episodic variation of the classic returns for six more performances.
Astoria Theatre, 157 Charing Cross Road, WC2 (01-434 0403).
Tues, Thurs, Fri 7.30-10.15pm. Mon and Tues 7.30-10.30pm, Sun 2-5pm and 7-10pm, 8-10pm.

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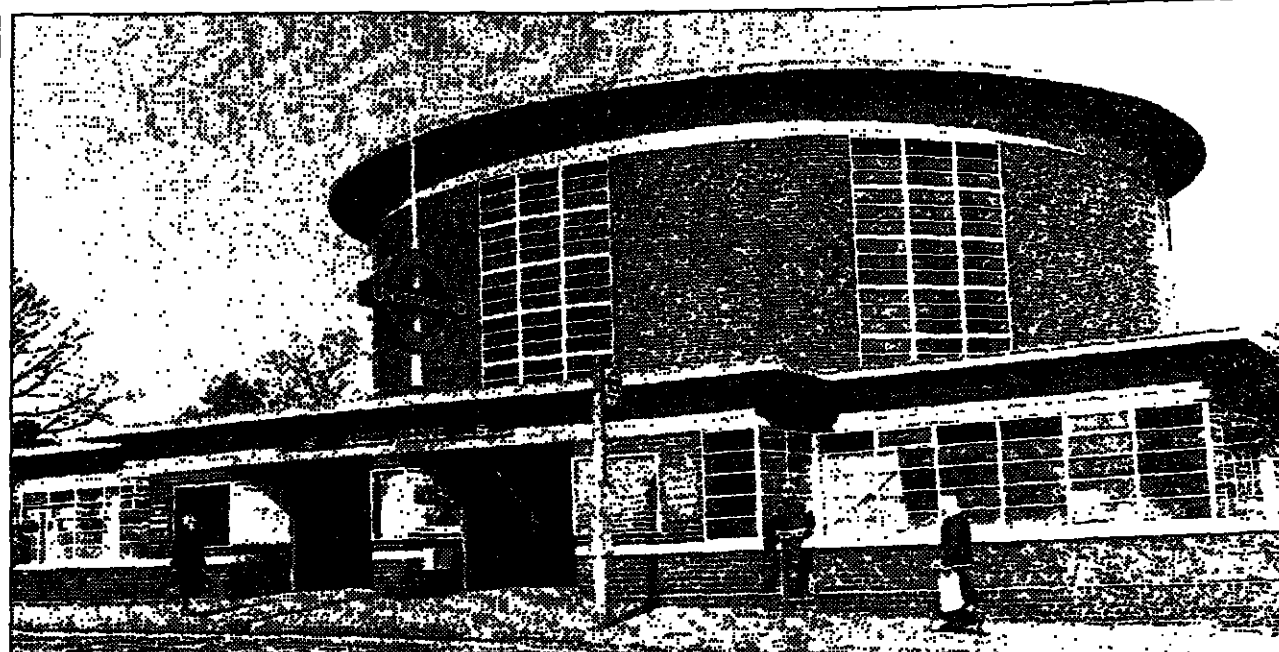
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Architecture goes underground

Arnes Grove underground station in north London (above) is arguably the finest example of the work of the architect Charles Holden (1875-1960). Built between 1930 and 1932 during the extension of the Piccadilly Line, Arnes Grove is a triumph of the Art Deco style and still looks strikingly modern nearly 60 years later. Not all Holden's buildings are so highly regarded. The stark, ponderous Senate House, built for London University between 1931 and

1939, is among the capital's less loved monuments, reminiscent of Soviet civic architecture in the Stalin period. But when working on a more intimate scale, Holden drew universal admiration. Between 1925 and the Second World War he designed many stations for London Underground, first on the Northern Line and then, more famously following a visit to Holland and Germany, on the Piccadilly Line. It is in these later, innovative stations that

his training under the socially conscious architects of the Arts and Crafts movement becomes apparent. The incongruity is that London University and the Tube stations were being designed at the same time. An exhibition of drawings, photographs and models, showing the range of Charles Holden's styles is at RIBA Heinz Gallery, 21 Portman Square, London W1 (01-580 5533). Monday to Friday 11am-5pm, Saturday 10am-1pm. Free, until April 23.

David Lee

THE LAST SUPPER: Howard Barker's large-scale play with Philip Sawyer as Jesus, a messianic figure, by his bickering disciples.
Royal Court Theatre, Sloane Square, SW1 (01-730 1745).
Tues, Thurs, Fri 7.30-10.30pm. Sat 2-5pm, Sun 2-5pm.

SOUTH PACIFIC: Gemma Craven and Emily Bellcourt in magnificent staged revival.
Princess of Wales Theatre, Coventry Street, W1 (01-439 5898).
Tues, Thurs, Fri 7.30-10.30pm. Sat 2-5pm, Sun 2-5pm.

THE TUTOR: Drama by 18th century playwright Reinhold Lenz, adapted by Brecht, set in Prussia after the Seven Years War and directed by David Hare.
Old Vic Theatre, Waterloo Road, SW1 (01-928 7810).
Tues, Thurs, Fri 7.30-10.30pm. Sat 2-5pm, Sun 2-5pm.

WHITE MISCHIEF (18): Glossy account of the 'Happy Valley' of the 1930s, set in the Yorkshire Dales.
Odeon Leicester Square (01-930 6111). Progs 12.15, 4.00, 7.45, 11.45.

WITNALL AND I (15): Knockabout British comedy about two out-of-control British actors trying to maintain sanity at the end of the world.
Renior (01-837 8402). Progs 1.50, 4.10, 6.25, 8.45.

THE BROWNING VERSION/HARLEQUINADE: Rattigan's comic play, now cast led by Dorothy Tutin and Paul Eddington.
Royal Theatre, Portugal Street, WC2 (01-434 0403).
Tues, Thurs, Fri 7.30-10.15pm. Mon and Tues 7.30-10.30pm, Sun 2-5pm and 7-10pm, 8-10pm.

CHILD'S PLAY: See caption.
New End Theatre, New End, NW3 (01-794 0022). Tues: Hampstead, Mon-Sat 8pm, 8.30pm.

THE BEST OF FRIENDS: Dramatized correspondence between Shaw, Ibsen, and the director of the Fitzwilliam Museum. Brings Gielgud back to the West End stage. Extended until April 23.
Apollo Theatre, Shaftesbury Avenue, W1 (01-437 2663). Tues: 8pm, Sat 3pm, Sun 2.30-5.15pm.

BLACK HEROES IN THE HALL OF FAME: Episodic variation of the classic returns for six more performances.
Astoria Theatre, 157 Charing Cross Road, WC2 (01-434 0403).
Tues, Thurs, Fri 7.30-10.15pm. Mon and Tues 7.30-10.30pm, Sun 2-5pm and 7-10pm, 8-10pm.

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EVENING

MALINCONIA: David Johnston performs Sibelius's strenuous and rarely-heard *Malinconia*, Beethoven's *Symphony No. 10*, and also Hugo Wolf's Italian Serenade. Central Hall, York University. York (0904 641194). 7.30pm, £2.50-£5.

SHANAHAN'S SHOW: Jan Shanahan solos in Korngold's Violin Concerto and Mozart's Concerto K 218 with the LSO under Yehudi Menuhin, who also conducts Tchaikovsky's Symphony No. 5.
Royal Festival Hall, South Bank, London SE1 (01-928 3191). 8pm, £2.50-£4.50.

BYCHKOV/BAUMANN: Semyon Bychkov conducts the LPO in Mozart's Horn Concerto No. 3, with Hermann Baumann as soloist. For and at the Mendelssohn Music Festival. Mendelssohn Music Festival. Mendelssohn Music Festival. Mendelssohn Music Festival.

VINCI VENTURE: Jan Vinci, winner of the Newcastle Electric Festival Electro-Acoustic Performance Prize, gives the UK premiere of *Julio C. Cesar's Sin*. 11 Por El Alma Adentro and Dan Weymouth's of Breath and Hope. St James's Church, Clerkenwell, London EC1 (01-496 2576). 8pm, £3.50.

EVERYTHING BUT THE GIRL: More kitchen sink love songs, from the duo's fourth album, *Idleness*. University of East Anglia Students' Union, Norwich (01-635 50401). 7.30pm, free, until April 9.

THE FALL: Mark E Smith presiding over a line-up that has proved the most commercially successful of the group's nine-year career. Cardiff University, Park Place (0222 396421). 8.30pm, £4.50.

STIFF LITTLE FINGERS: Reformed Irish punks led by Jake Bennett, start a lengthy tour. Victoria Hall, South Bank, London SE1 (01-928 3191). 8pm, £2.50-£5.

NOAKES/GREENMAN: Anna Noakes plays Reinhold's Sonata Op 157 "Lullaby". Jonathan Harvey's *Naturale*, and Martin's *Fine* Sonata No 1 with Diana Bennett at the piano.
Victoria Hall, South Bank, London SE1 (01-928 3191). 8pm, £2.50-£5.

THE COMMON PURSUIT: A musical comedy by John Copley. Victoria Hall, South Bank, London SE1 (01-928 3191). 8pm, £2.50-£5.

BLUES IN THE NIGHT: A musical comedy by John Copley. Victoria Hall, South Bank, London SE1 (01-928 3191). 8pm, £2.50-£5.

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TALKS

LANDSCAPE AS SYMBOL: Lecture by Colin Wiggings on Piero della Francesca's *The Nativity*. The National Gallery, Lower Floor A, Trafalgar Square, London WC2 (01-639 3321). 1pm, free.

PAINT, HOLY PAINT: Jonathan Harris talks on the happy abstract expressionist. Tate Gallery, Millbank, London SW1 (01-823 1313). 1pm, free.

EXTRA-MURAL LECTURE: Professor Peter Laslett talks on the history of nature in medieval art. Gresham College, London, EC2 (01-476 3441). 6.30pm, £1.50, members free.

LEGAL AND ILLEGAL LONDON: INNS OF COURT: meet Hobbes, Duns Scotus, and the Inns of Court. Inns of Court, London EC4 (01-638 2019). 9.30pm, £5.

GUEST STARS: After their cheerful album *Live in Berlin*, the members of the feminist crossover band have decided to go their separate ways. The Arts Centre, 11-13 Castle Street, Bradford (01-847 5651). 11pm, £3.

PINKIE ZOO: Jan Kopinski's Nottingham-based quartet bears the "free jazz" imprint of Arno Coppi's *Crane Time*. The Arts Centre, 11-13 Castle Street, Bradford (01-847 5651). 8.30pm, £3.50.

BRUCE TURNER: The saxophonist takes a night off from the Humphrey Lyttelton Band. The Mechanics, Manchester Road, Burnley (0282 30055). 8pm, £3.

PHOENIX: A new programme from this all-male group from Leeds. The Place, Dukes Road, London WC1 (01-383 0031). 8-10pm, £5.

RHAPSODY IN BLUE: Richard Alston's latest creation for Rambert Dance Company, with works by Stephen Davies and Michael Clark. Haymarket Theatre, Belgrave Gate, Leicester (0533 57797). 7.30-9.45pm, £3.50-£7.50.

A SIMPLE MAN: Gillian Lynne's ballet about L. S. Lowry's life and paintings for Northern Ballet, with Alice in Wonderland. Alhambra, Marley Street, Bradford (01-274 75200). 7.30-9.45pm, £3.50-£5.

EDUARDO PAOLOZZI: Seventeen early sculptures tracing this artist's evolution towards Pop Art and beyond. Whitworth Art Gallery, Whitworth Park, Manchester (061 273 4865). Mon-Sat 10-5pm, free, until May 2.

TO LIVE IN STYLE: An exhibition comprising images of air travel between 1930 and 1987. The Gallery, Brunton Polytechnic, Grand Parade, Brighton (0273 604141). Mon-Fri 9-5pm, free, until April 6.

SALLY GREAVES-LORD: Subtly patterned and textured silk banners by a leading textile artist. Contemporary Applied Arts, 43 Earlham Street, London WC2 (01-836 6993). Mon-Fri 10-5.30pm, Sat 11-5.30pm, free, until April 9.

HOOK, LINE AND SINKER: Fishing exhibition including paintings, prints, tackle and line art. Wingfield Sporting Gallery, 55 Old Town, London SW4 (01-822 8301). Mon-Fri 11am-8.30pm, Sat 11am-4pm, free.

JUNE REDFERN: Recent paintings by last year's artist-in-residence at the National Gallery, Manchester (01-635 50401). 7.30pm, free, until March 26.

WOMEN'S WORKS: A special display of 70 of the 280 works by women in this gallery's permanent collection. Walker Art Gallery, William Brown Street, Liverpool (0151 207 0001). Mon-Sat 10-5pm, Sun 2-5pm, free, until April 15.

TOP OF THE POP-UPS: An historical survey of movable and pop-up books. Bethnal Green Museum of Childhood, Cambridge Heath Road, London E2 (01-608 8549). Mon-Thurs and Sat 10-5pm, Sun 2-5pm, free, until April 30.

CLAES OLSENBERG: A retrospective look at the American Pop sculptor's career. Northern Centre for Contemporary Art, 17 Grange Terrace, Stockport, Cheshire (0161 514 1214). Tues-Fri 10-6pm, Sat 10-4pm, free, until March 26.

PAULINE COLLINS: In *SHIRLEY VALENTINE* by Wally Pfister. The National Gallery, London WC2 (01-639 3321). 1pm, free.

THE COMMON PURSUIT: A musical comedy by John Copley. Victoria Hall, South Bank, London SE1 (01-928 3191). 8pm, £2.50-£5.

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TELEVISION AND RADIO

Compiled by Peter Dear and Peter Davalle

- ### BBC1
- 6.00 **Ceebz AM**
 - 6.30 **Blondies and Redheads** in *Contented Calves* (b/w). 6.55 **Weather**
 - 7.00 **Breakfast Time** with Jeremy Paxman and John Stapleton. National and international news at 7.00, 7.30, 8.00 and 8.30; regional news and travel reports at 7.15, 7.45 and 8.15; weather at 7.25, 7.55 and 8.25. 8.55 Regional news and weather.
 - 9.00 **News and weather** followed by *Open Air*. Eamonn Holmes receives viewers' comments on yesterday's television output. To contribute ring 061-814 0424. 9.20 **Kilroy**. Robert Kilroy-Silk chairs a studio discussion on grandparents' rights.
 - 10.00 **News and weather** followed by *Going for Gold* (r). 10.25 **Children's BBC**. Andy Crane with programme news and birthday greetings followed by *Play School* and *The Adventures of Spot* (r).
 - 10.55 **Five to Eleven**. A reading by Martin Muncester. 11.00 **News and weather** followed by *Open Air*, with Susan Rae and Bob Wellings.
 - 12.00 **News and weather** followed by *Daytime Live*. Today's edition includes the results of the Broadcasting Press Guild Awards. 12.55 **Regional news and weather**.
 - 1.00 **One O'Clock News** with Michael Barker. **Antiques**. 1.30 **Neighbours**. An old wives' tale has an unusual effect on Des.
 - 1.50 **Film: Dinner at Eight** (1933, b/w) starring Jean Harlow, Marie Dressler, Wallace Beery and Lionel Barrymore. Comedy drama about how the lives of a group of New Yorkers interweave as they prepare, separately, for a high society dinner. Directed by George Cukor. 3.40 **Ask Margo**. Citizens' rights advice from Margo Macdonald.
 - 3.50 **Comers**. Young people's questions answered.

- ### BBC2
- 6.55 **Open University: Earthquakes** - Seismology at Work. Ends at 7.20. 9.00 **Ceebz**.
 - 9.30 **Daytime on Two**: a girl, her boyfriend and parents discuss why they think they are 9.30. Part eight of a story about pigeon racing. 10.15 **A Profile of two children** who live in the Dalriada Valley, Argyll. 10.30 **Does the way black people are represented in the media stir up racial hatred?** 11.00 **The Tiger-Skin Rug** 11.15 **Logo** 11.35 **A visit to the Isle of Rhum** 12.00 **The Seduction**, a poem by Eileen McAuley. 12.30 **Alcohol abuse**. 1.05 **Military service in France**. 1.20 **A programme for young children**. 1.30 **English: horror stories**. 2.00 **News and weather** followed by a series for four- and five-year olds. 2.15 **Weekend Outlook (r).**
 - 2.30 **Sport on Friday**. Indoor bowls and rallying. Includes news and weather at 3.00.
 - 3.30 **News and weather**.
 - 4.00 **Celebrity**.
 - 4.30 **World Bowls**. The second quarter-final of the Embassy World Indoor Championship. Ends at 12.20pm.

- ### ITV/LONDON
- 6.00 **TV-am** includes news, weather, financial reports and sport with Good Morning Britain, on for half an hour at 6.30 and 8.00. After nine o'clock include Russell Grant and his mother.
 - 6.25 **Thames news**.
 - 6.30 **Give us a clue**. Celebrity mime game presented by Michael Parkinson. This morning Lionel Blair and Liza Goddard are joined by Lorna Dalley, Evelyn Waugh, Michael Caine, Adam Faith, Mike Read and Chris Tarrant. 10.00 **Santa Barbara** 10.25 **News headlines**.
 - 10.30 **The Place...** Khalid Aziz chairs a discussion, linked with an Ulster story, on whether or not there is a shoot to kill policy against the IRA. 11.10 **Rainbow**. The guest is Sandra Dickinson (r). 11.25 **Thames news headlines**.
 - 11.30 **Thames Valley News**. Older people explain why they have chosen to live in a particular area or style. 12.00 **Gas Street**. Music and chat show presented by Suzi Quatro.
 - 12.30 **News with Julia Somerville**. 12.50 **Thames news**.
 - 1.00 **What's My Line?** Odd occupations panel game presented by Penelope Keith. 1.30 **Man in a Suits**. The ex-CIA agent organizes a raid on a Pyramin mansion. Starring Richard Bradford (r). 2.30 **In Loving Memory**. Vintage comedy series about a family firm of Yorkshire undertakers (r).
 - 3.00 **Comers**. Ray Charles, a blind pianist, in London. 3.25 **Thames news headlines**. 3.30 **Sons and Daughters**. Australian family drama series.
 - 4.00 **Revolting Animals**. 4.10 **The Moonmen**. Episode 10 (r). 4.20 **He-Man and the Masters of the Universe**. 4.45 **Splash** visits the Brookside set and announces the winners of the Mothering Sunday Bouquet competition.

- ### CHANNEL 4
- 9.30 **Schools**.
 - 12.30 **Abacadabra**. The history of automation (r).
 - 1.00 **On Course**.
 - 2.00 **The Parliament Programme**. A documentary examining the engineering principles that animal evolution has developed (r). (Channel 4)
 - 3.30 **Time to Remember** (b/w). Part 3 focuses on 1942 when GPs were first seen on the streets of London (r).
 - 4.00 **Mavis on 4**. Mavis Nicholson is a Pyramin mansion. Starring Richard Bradford (r). 2.30 **In Loving Memory**. Vintage comedy series about a family firm of Yorkshire undertakers (r).
 - 3.00 **Comers**. Ray Charles, a blind pianist, in London. 3.25 **Thames news headlines**. 3.30 **Sons and Daughters**. Australian family drama series.
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- ### VARIATIONS
- BBC1** **Wales** 6.55pm-8.00pm **Wales Today** 6.55pm-7.00pm **Wales Today** 7.00pm-7.15pm **Wales Today** 7.15pm-7.30pm **Wales Today** 7.30pm-7.45pm **Wales Today** 7.45pm-8.00pm **Wales Today** 8.00pm-8.15pm **Wales Today** 8.15pm-8.30pm **Wales Today** 8.30pm-8.45pm **Wales Today** 8.45pm-9.00pm **Wales Today** 9.00pm-9.15pm **Wales Today** 9.15pm-9.30pm **Wales Today** 9.30pm-9.45pm **Wales Today** 9.45pm-10.00pm **Wales Today** 10.00pm-10.15pm **Wales Today** 10.15pm-10.30pm **Wales Today** 10.30pm-10.45pm **Wales Today** 10.45pm-11.00pm **Wales Today** 11.00pm-11.15pm **Wales Today** 11.15pm-11.30pm **Wales Today** 11.30pm-11.45pm **Wales Today** 11.45pm-12.00pm **Wales Today** 12.00pm-12.15pm **Wales Today** 12.15pm-12.30pm **Wales Today** 12.30pm-12.45pm **Wales Today** 12.45pm-1.00pm **Wales Today** 1.00pm-1.15pm **Wales Today** 1.15pm-1.30pm **Wales Today** 1.30pm-1.45pm **Wales Today** 1.45pm-1.60pm **Wales Today** 1.60pm-1.75pm **Wales Today** 1.75pm-1.90pm **Wales 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FRIDAY MARCH 11 1988

Executive Editor
David Brewerton

STOCK MARKET
FT 30 Share
1472.3 (+12.2)
FT-SE 100
1834.6 (+19.3)
Bargains
28632 (27697)
USM (Datastream)
149.92 (+0.32)

THE POUND
US dollar
1.8435 (-0.0035)
W German mark
3.0676 (-0.0123)
Trade-weighted
77.1 (-0.1)

Payment proposal agreed

Guinness, the drinks group, and Cambrian and General Securities, the investment trust formerly run by disgraced arbitrator Mr Ivan Boesky, have agreed to a repayment proposal by the liquidator of the former Ivan F Boesky & Co.

Guinness stands to recoup \$25.5 million (£13.8 million) of its \$100 million investment and Cambrian will receive \$9 million of its \$20 million investment. The assets of the Boesky investment company were frozen by the Securities and Exchange Commission in New York, but the freezing order expires next week. If the liquidator, based in Cambridge, Massachusetts, receives sufficient support from investors the distribution will go ahead.

KENNETH FLEET
In The Times tomorrow, Kenneth Fleet looks forward to the Budget on Tuesday

Pineapple cost

Last January's sale of the Pineapple dance studios business to founder Debbie Moore cost has cost the remaining Pineapple Group £481,000.

Cooke to go

The Bank of England is to lose its third top official in quick succession this autumn when Mr Peter Cooke, an associate director responsible for international banking regulation, retires prematurely at the age of 56.

SUMMARY

STOCK MARKETS

New York	Dow Jones	2071.12 (-3.15)*
Tokyo	Nikkei Average	25817.82 (+12.43)
Hong Kong	Hang Seng	2591.34 (+39.58)
Amsterdam	Gen	243.8 (+0.3)
Sydney	AO	1359.4 (+18.4)
Frankfurt	Commerzbank	1402.4 (+6.3)
Brussels	General	5013.7 (-29.4)
Paris	CAC	307.0 (+2.8)
Zurich	S&K Gen	467.3 (+2.4)
London	FT-A All-Share	1472.3 (+12.2)
FT-30	1472.3 (+12.2)	
Gold futures	249.7 (+1.7)	
FT Fixed Interest	97.12 (+0.01)	
FT Govt Secs	90.55 (-0.15)	

MAIN PRICE CHANGES

RISES:	
Conder Group	282p (+20p)
Brit Aerospace	285p (+10p)
Scott & Newcastle	282p (+25p)
Microfilm Repro	427p (+20p)
Merivale Moore	380p (+20p)
Britoil	278p (+14p)
BP	278p (+14p)
Inchcape	724p (+22p)
Lookers	1450 (+14p)
Wagons Inds	252p (+14p)
Claydon	252p (+14p)
Dandora	165p (+15p)
Land Leisure	315p (+17p)
Eurochem	318p (+15p)
Falls:	
Pearl	438p (-15p)
Klein	153p (-10p)
Klein-Ze	705p (-20p)
Prudential	840p (-14p)

INTEREST RATES

London Bank Base	9%
3-month interbank	9.50% (-15p)
3-month eligible bills	9.75% (-8p)
buying rate	
US Prime Rate	8 1/8%
3-month Treasury Bills	5.77-5.78%
30-year bonds	103 1/8-103 1/2%

CURRENCIES

London:	New York:
£: \$1.8435	£: \$1.8420*
DM: £0.976	DM: £0.976*
¥: £0.00403	¥: £0.00403*
FF: £0.01490	FF: £0.01490*
Yen 236.08	Yen 236.10*
Index 77.1	Index 77.1*
EU £0.872747	SDR £0.746307

GOLD

London Fixing:	
AM \$437.25 ON \$442.40	
close \$441.75-442.25 (£238.50-240.00)	
New York:	
Comex \$442.50-443.00*	

NORTH SEA OIL

Brent (Apr):	pm \$14.80 (\$14.30)
* Denotes latest trading price	

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US groups rebuff British advances

Farmers not for sale, BAT told

● The managements of two American companies, targets of multi-million dollar hostile bids from British groups, yesterday spurned both the offers

● Farmers, the Californian insurance group, told The Times in an exclusive interview that it was 'not for sale' even at the revised BAT offer of \$4.35 billion

● Koppers, the Midwest aggregates group, refused to react to pressure from the chairman of Beazer for talks to raise his \$1.3 billion bid to a higher agreed price

From John Bell, City Editor, Los Angeles

Farmers, America's second-biggest accident insurance company, is very firmly "not for sale," even for \$4.35 billion (£2.36bn), according to the group's chairman.

Mr Leo Denlea, the chairman, speaking at the Los Angeles headquarters of Farmers yesterday, told The Times in an exclusive interview: "The current position is that we are not for sale."

Mr Denlea has refused so far the efforts of Mr Patrick Sheehy, the BAT chairman, to discuss the BAT offer.

The Farmers group board unanimously rejected BAT's first hostile offer of \$60 a share.

Mr Denlea said that for legal reasons he was not able to comment on the increased \$63 offer until the board had met to discuss it. "No date has yet been fixed for the meeting," he said.

Wall Street analysts are expecting Farmers to reject BAT's revised \$63 a share tender offer.

Mr Adam Starr, an insurance analyst with the First Manhattan Research Group, said: "The chances of Farmers recommending acceptance is about as likely as someone

inviting their mother-in-law to spend Saturday evening with them."

He estimates that Farmers' shares are worth something in the "high \$60 range."

"And this takes no account of any premium for the excellent long-term record of the business or its prospects," he added.

Mr Denis Callaghan at Paine Webber, the securities group, said \$70 per share

would represent fair value on an acquisition basis.

Analysts agree that Farmers would make an attractive takeover for BAT despite the present resistance of the board, the lengthy delays likely to be involved due to the need for approval from nine state regulatory insur-

ance authorities and the possible appearance of a "white knight," such as Ford Motor Company.

Farmers is the second-largest US insurer of property and casualty risk. It ranks third in the \$60 billion car insurance market. And its unique corporate structure has given it an unbroken record of increases in earnings since 1928.

Because the group manages rather than owns three large

groups of policy-holders, known as reinsurers, it is not exposed to underwriting or investment losses.

While analysts believe BAT may have to pay considerably more than it has so far laid on the table, they tend to agree that it has a good chance of eventual success.

"Time is on BAT's side," says Mr Starr. "The group has given itself the flexibility to raise its price again."

Mr Samuel Liss of Goldman Sachs said the substantial difference between the Farmers Group stock market value and its net assets had been a long-standing defence against hostile takeovers.

Under US law this "good-will element" has to be amortized over a number of years as a direct charge on earnings. British accounting treatment is more flexible, allowing a write-off of goodwill.

Koppers rejects Beazer talks

Koppers Inc, which is fighting a hostile \$1.3 billion (£70 million) takeover bid from Beazer, the building materials and construction group, has rejected an offer to discuss an agreed deal at a higher price (John Bell writes).

The offer was contained in a letter filed with the Securities and Exchange Commission, the regulatory body which polices US takeovers.

In the letter, Mr Brian Beazer, the British group's chairman, says: "It remains our desire to enter into a negotiated transaction and to determine among other things whether a higher price is warranted."

Mr Robert O'Garra, a Koppers spokesman, confirmed that the letter had been received by his chairman, Mr Charles Pullin, but would not say when or whether there had been or would be a response.

"We have no comment to make on Mr Beazer and his goings on," said Mr O'Garra. The letter was sent on Tuesday. Beazer confirmed last night that no reply had been received.

Mr Beazer said in the letter that he had tried three times to arrange a meeting with Mr Pullin. "As you know our offer was determined solely on public information and based

on that information we believe that our \$45 per share cash offer provides full and fair value for all of your stockholders."

The Beazer chairman adds that to make an informed decision on the bid, Mr Pullin and his board would want to know more about Beazer and its plans.

Under US takeover rules, Koppers, the second-biggest aggregates company in the US, is obliged to respond publicly by next Wednesday. Beazer's tender offer closes on March 30.

Analysts believe Koppers' board may be seeking a "white

knight" before agreeing to meet Beazer. The Pittsburgh-based group is believed to have emphasized its belief that hundreds of jobs would be lost if the takeover succeeded. Beazer is considering a plan to sell Koppers' chemical division, which might recoup up to \$500 million of the acquisition cost.

The Koppers takeover would substantially boost Beazer's US interests, which account for about 35 per cent of the group's total.

Wall Street is looking for further developments, leaving the Koppers share price stubbornly above Beazer's \$45 offer price.

Coats Viyella makes £213m but gives warning for 1988

By Colin Campbell

Coats Viyella, the Jaeger and Van Heusen empire which is the world's biggest textile group, gave a warning yesterday that 1988 will not be an easy year.

Mr David Alliance, the chief executive, said that the group, which is capitalized at £1.36 billion, faced hard going last year but is resilient and now has a strong balance sheet. He added that further productivity improvements are expected this financial year even though there are some trading and currency clouds on the horizon.

In the 12 months ended December, pretax profits advanced by 17.1 per cent to £12.8 million and trading margins widened from 10.7 per cent to 11.9 per cent.

Turnover comparisons are

affected by exchange rate movements, a 13 month trading period for parts of the group in 1986, and various structural changes. But on a like-for-like basis, turnover rose by 7 per cent.

The final dividend is raised from 5p to 6p a share, making a year's total of 8.7p (7.25p). But the shares came back from 262p to 258p as analysts assessed the warning that there has been some evidence of the weaker dollar affecting trading.

"Rationalization measures in recent years and improvements generally in productivity should flow through to profits in a number of areas - particularly in Britain and Europe - in addition, North America is also benefiting from stronger demand," Mr Alliance said.

The group ended the year with all earnings after capital expenditure of £84 million.

"Continuing positive cash flow will permit a high level of capital spending to be maintained to achieve further growth and improvements in productivity. It will also enable the group to react promptly to investment opportunities as and when they arise," Mr Alliance added.

In 1987, British profits rose from £77.8 million to £93.8 million.

The breakdown by division shows that thread and hand-knittings brought in £103.6 million (£90.6 million) and garment manufacture and retailing £36 million (£39.1 million).

Temps, page 24

TI jumps 44% to £62.3m

By Alexandra Jackson

In an active year during which TI Group, the specialist engineering company, was substantially restructured, pretax profits rose by 44 per cent to £62.3 million. Earnings per share for the year to end December moved up from 23.4p to 29.6p and a final dividend of 6.5p was declared, making a total of 10p for the year, against 8p in 1986.

Last year, TI raised £500 million by selling various businesses, including Raleigh

bicycles and Creta domestic appliances. Reinvestments included the purchase of Armo, a small diameter tubes business, and John Crane, a mechanical seals company.

Mr Christopher Lewinton, the chief executive, said: "As a result of our new strategy, 80 per cent of the businesses enjoy international leadership in their field."

This week, TI announced it was to proceed with the purchase of Bundy Corporation,

the US small diameter tube group, which was abandoned after the stock market crash.

Mr Ronnie Utiger, the chairman, rejected speculation that the 7 per cent increase in the dollar price TI now proposed to pay Bundy was linked to lawsuits that Bundy and its shareholders had taken out when the initial bid was dropped.

"We have taken advice and think it is a non-issue,"

Temps, page 24

Operating profit of £27.9m the best for nine years

A £380m turnaround by Rover

By Daniel Ward

Motor Industry Correspondent

Rover Group yesterday announced an operating profit of £27.9 million for 1987, the state-owned vehicle maker's best performance for nine years and a dramatic improvement on the previous year's £356 million operating loss, when the Government was forced to inject £680 million.

Austin Rover, which last made a slim profit in 1983, recovered from a £167 million loss in 1986 to a £5.1 million profit last year and Land-Rover improved profits to £22.5 million in 1987.

The group was, however, pushed £26.8 million into the red by interest charges of £50 million, though this was still better than a net loss of £892 million in 1986.

Debt has been greatly reduced, from the £962 million owed to banks in 1986, and could now be less than £400 million, yesterday's figures indicate.

Group turnover fell from £3.412 billion in 1986 to £3.096 billion reflecting the loss of sales worth £1 billion of

executive model in America, Austin Rover achieved a commendable 16,300 registrations, though this was below original ambitious targets. Since its American debut last March, about 3,000 Range Rovers have been sold in the United States.

Overall, Land-Rover sales increased by 7 per cent, to 41,300, though this disguises a record year for Range Rover and a further decline in demand for Land-Rovers.

City experts welcomed the results, and forecast strong profits in 1988. Mr Bob Barber, the motor industry analyst for the stockbroker James Capel, said: "The results are quite good and we can expect an operating profit of perhaps £100 million this year."

Shares in British Aerospace, which is involved in a proposed takeover bid for Rover, gained 9p, to 384p, yesterday on the news.

Cup of cheer for Cyril Stein



Pause for refreshment: Cyril Stein yesterday (Photograph: Nick Rogers)

Ladbroke Group romps in with a record £160m profit

By Carol Ferguson

Ladbroke Group, the racing, hotels and property group, had a record year in 1987, when it acquired the Hilton hotel chain.

Pretax profits jumped 58 per cent to £160 million and turnover rose 21 per cent to £2 billion. Earnings per share growth was restricted to 26 per cent due to last year's £254 million rights issue to fund the Hilton acquisition. The dividend was increased by 19.8 per cent to 13.89p net.

Profits from the hotel division rose from £21.8 million to £47.2 million, helped by a £13.8 million contribution from Hilton International in the 11 weeks from acquisition.

Mr John Jarvis, the chairman of the hotels group, said that he had identified savings at Hilton amounting to \$35 million (£19.03 million) in a full year through higher productivity, rationalization of regional offices and savings

in sales and marketing. He said that the Ladbroke hotels had increased their profit through higher occupancy and tariff levels.

The rationalization of the Ladbroke hotel chain, which began with the sale of its Scottish motels for £18.6 million last year, will continue this year with the sale of 12 more three-star hotels, for which it expects to get £50 million. This will leave the group with 19 former Ladbroke hotels which will trade under the Hilton National banner.

In all last year, Ladbroke raised a total of £156 million through disposals of peripheral businesses resulting in an extraordinary gain after tax of £36.7 million.

Retail betting, which now trades from 1,766 shops, in-

creased its contribution from £49.5 million to £62 million. Live television race coverage by satellite is currently available in 25 per cent of Ladbroke's British betting shops. Mr Cyril Stein, Ladbroke's chairman and managing director, said: "The screening of live action is expanding the market and significant gains in turnover are planned for 1988."

Texas Homecare, the group's DIY chain, doubled its profits from £13.8 million to £26 million. Margins improved, and a total of 1 million sq ft was added to selling space in 1987. "A further 35 superstores are planned for 1988 which will bring the total sales area to 6 million sq ft," Mr Stein added.

The fine spring weather has resulted in strong early trading on DIY and the company said that it has already begun its spring advertising campaign.



Business Mann

Over the years Mann Egerton have supplied cars to an enormous variety of local authorities and companies. Large companies, small companies, companies just starting out and some of the biggest names in the country. Whatever their particular needs Mann Egerton successfully tailor packages to suit them and their employees. Always efficient, always caring, Mann Egerton's service is never more than a phone call away.

sound knowledge of the possibilities and expert advice are vital. Thanks to contract hire, for example, you can run your business and leave the day to day management of your fleet to us. Mann Egerton have both the expertise and the range of vehicles to ensure that the business of running company cars is a pleasure.

Today there are so many ways of financing and running a fleet that



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BUSINESS ROUNDUP

Systems Reliability makes two-stage deal

Systems Reliability, the computerized telephone systems company, is bidding, in a two-stage deal, £14.4 million for Fletcher Denny Systems, the USM computer equipment retailer while Hilldown Investment Trust is making a partial offer for up to 3 million shares at 150p each in Systems Reliability, representing 28.5 per cent of the equity.

Fletcher is worth £22.2 million, or 45p a share on the basis of HIT's offer, against the 29p a share offer from Systems on the basis of three of its shares for 10 Fletcher shares.

Ironmonger raises payout £385,000 US acquisition

Laidlaw Thomson Group, the architectural ironmonger, will pay a final dividend of 3.25p for 1987 making 4.79p against 4.2p on pretax profits up from £299,000 to £1.25 million. Earnings per share are 12.85p against 9.15p. Incoming business is at record levels.

Brent Chemicals International is buying Surface Chemistry Corporation in the United States for \$696,000 (£385,000). The acquisition will expand Brent's share of the printed circuit board manufacturing market in the US beyond its present 10 per cent.

Cattle's up to £4.9m

Cattle's Holdings, the financial services, retailing, travel agency and insurance broking group, made pretax profits in the year to the end of December of £4.9 million (£3.6 million). Turnover rose to £114.3 million from £97 million.

The travel agency business had seen modest expansion, but is not expected to make a contribution in the short term, the company said, while Rosebys, the retail chain, had expanded but continues to need reorganization, to absorb acquisitions, and the introduction of electronic point-of-sale equipment. The total dividend was 2.5p (2p).

MTM lifts earnings

MTM, the special chemicals manufacturer, has recovered from a disappointing first half to make pretax profits of £5.1 million for 1987 against £4.2 million last time. Earnings are up from 10.6p to 11.7p a share, and a 2p final dividend, making 3p (2.7p) for the year, will be paid.

Copymore in leap to £1.3m

Copymore, the office equipment firm launched on the TISM, last month, has declared pretax profits of £1.31 million for 1987 against the £490,000 reported for the previous year. Earnings per share were 8.4p, against 2.5p, and the dividend is 2p a share.

ALPHA STOCKS

Vol '000	Vol '000	Vol '000	Vol '000
ADT 1536	Coats 4196	Laporte 689	Royal Ind 838
Abbey 1111	CU 1888	L&G 2000	Sasatchi 582
Alco-Lyons 1209	Cone Gold 306	Lloyds 1817	Sears 4550
Amesbury 3053	Cookson 1378	Lothian 889	Scott & N 1122
ASDA 5150	Courtside 839	Lucas 455	Seas 4550
AB Foods 98	Dalgety 146	Magnet 728	Sedgwick 1980
Argyll 628	Dell 3122	M&S 2089	Shell 5548
BAA 3334	Dunlop 3128	Maxwell Cn 261	Smith & N 1200
BET 872	ECC 1205	MEPC 1887	Smith WH 1200
BTR 1708	Emmerson 2634	Metal Box 1202	STC 777
BAT 2530	Ferranti 2271	Midland 1119	Stan Chart 2442
Bardays 1728	Fisons 3823	NavWest 3029	Storehouse 598
Bass 366	Gen Acc 402	Nest 321	Sun Alliance 228
Beschman 1770	GEC 3820	Pen Food 159	T & N 2926
Benzar 1881	Globe 883	P&O 573	Tarmac 2480
BICC 1031	Globe 495	Pearl 512	Tate & Lyle 807
Blue Arrow 753	Granada 1538	Pearson 103	TSB 1908
Blue Circle 380	Grand Met 1886	Pharmacia 2758	Tesco 4108
BOC 460	GUS A 727	Plassey 4940	Thorn EMI 960
Boots 5733	GRE 178	Prudential 753	Tratallor 741
BPS 1247	GKN 2020	Racal 3451	THF 537
Br Aero 6569	Guinness 1509	Ric Hovis 252	Ultramar 3215
Br Airways 3375	Hamm A 190	Rank 465	Unigate 5514
Br Comm 728	Hanson 5816	R&C 140	Unilever 1113
Br Gas 1023	Hawthorn 1213	Redland 680	United Bis 1948
Br Petrol 41988	Hilldown 1794	Reed 2578	Unit News 183
Br Telecom 6086	JMI 1061	Reuters 568	Wellcome 1865
Britel 552	KCI 2460	RIMC 380	Whitbread 1778
Bunzl 2592	Inchcape 506	RTZ 889	Williams 1700
Burmah 242	Jaguar 1788	R-Royce 3814	Wills Fab 398
Burton 340	Lassmo 1886	Rothman B 3181	Wimpey 803
CBW 1124	Ladbroke 5148	Rovintne 551	Woodworth 547
Cadbury 1049	Land Sec 987	Royal Bank 1084	

A cloudy horizon for Coats Viyella

Coats Viyella's 1987 profits mix, the uncertainties of currency markets and concern about the health of the textile world have divided the investment community.

There are those who believe that Coats will find it harder to sell shirts up the Amazon, or its smart Jaeger range in a softer North American market, this year. Therefore there will be only modest profits growth in 1988.

There are others who bank on further rationalization benefits coming through after recent heavy restructuring, and a touch of the David Alliance magic, seeing today's Doubting Thomases caught out one year from now.

So while there is polite applause for 1987 results which show pretax profits up from £181.7 million to £212.8 million, trading margins improved from 10.7 per cent to 11.9 per cent, and nil gearing at balance sheet date, there is debate as to whether Coats Viyella can be totally immune to the clouds gathering on the industry's horizon.

Even if Coats, because of its international areas of operation, was able to neutralize the dollar's swings in 1987, it is possible that collective currency movements will not be so kind in 1988.

Meanwhile, after such a

smart increase in South American profits (up 45.5 per cent at £56.6 million), further profit leaps must be limited. And, after 1987's modest performance, North America's economic conditions suggest this year will again see meagre growth.

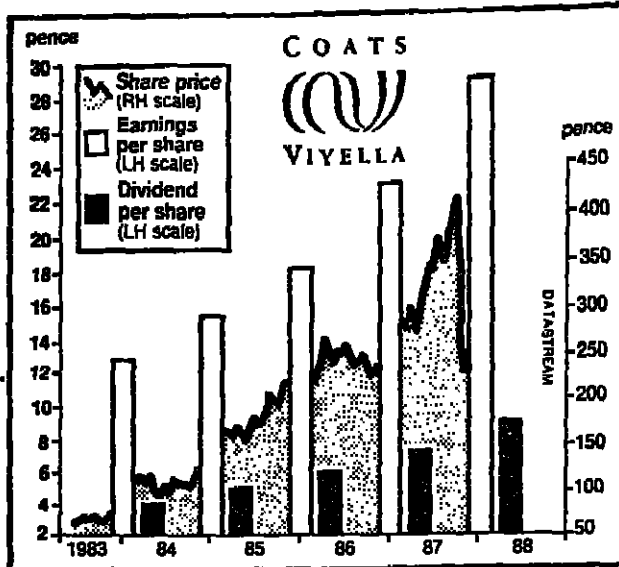
The balance sheet is strong, which will serve as a good defence if times get rough, and with a traditionally well-covered payment the progression in dividend payments does not look threatened.

Profits growth there will be, probably to the £240 million mark, to put the shares — down yesterday by 4½p to 257½p — on a prospective rating of 8. For the 1989 financial year, profits of £265 million are being pencilled in, to bring the multiple down to 7.4.

Coats has defensive qualities for the long term, but while the market doubts persist the shares are unlikely to thread their way to much higher ground.

TI Group

Almost all the main engineering work has been done at TI Group, although there is still some fine tuning to be done before the new streamlined machine can roar off on the acquisition trail.



Over the last 12 months, £540 million of sales which earned a 3 per cent return, have been swapped for £230 million of sales earning 10 per cent.

Four-fifths of the group now complies with the TI mission statement of establishing leading international positions in niche markets.

Of the remaining fifth, some businesses are still in embryonic form while the mature ones provide steady cash flow. The rest await disposal.

TT's resurrection of the Bundy bid shows the drive to establish leadership in the

small diameter tube market. Currency movements leave the second bid £4.5 million lower than October's. The assets look more enticing as Bundy's annual earnings to January are 20 per cent ahead of the July figure.

Thus the exit price-earnings ratio drops from 17 times to 15 times. But the dollar consideration remains \$10 million (£5.43 million) higher while Bundy's resilience to a future US recession remains unknown.

More than half of Bundy's business is vehicle-oriented although the US component is

lower, at 35 per cent. TI sees the deal as an important strategic move.

Gearing post-Bundy would rise from the year-end position of nil (after Crane disposals) to 40 per cent. But it is likely that strong cash flow and a few disposals would soon reduce it.

Underlying growth in sales and profits of businesses which were part of TI for the whole of both 1986 and 1987 was 12 per cent, excluding losses from Cox, the automotive subsidiary. But these are, apparently, a thing of the past.

For the full year, TI should make more than £75 million. The shares are reasonably rated but are unlikely to break out of their present trend until the earnings and growth potential of the new TI is demonstrated.

Ladbroke

Ladbroke is wasting no time knocking Hilton International into shape. Since acquiring it last September, its new owner has already identified cost savings of \$37 million (£20 million) in a group whose earnings had been stagnating at less than \$50 million over the previous five years.

Marketing and sales costs savings will amount to \$15 million in a full year, while

productivity gains will yield the same amount again. Rationalization of regional and head offices should save a further \$7 million. Add new hotel openings — 10 are scheduled for this year — and Ladbroke's claim that Hilton International will make \$100 million profit this year suddenly looks a fair accomplishment.

Meanwhile, the group has been quietly reappraising its Ladbroke hotel chain with a view, ultimately, to bringing all its hotels under the Hilton banner. Ladbroke has decided to keep just 19 of its four-star hotels, all with leisure and conference facilities.

The net effect is that the hotel division is on course to contribute £100 million to profits this year, making it by far the biggest division. Live television coverage of races should be in all Ladbroke's shops by the year-end, boosting racing profits. Plans for Texas Homecare in 1988 include 35 new superstores.

Interest costs are falling as gearing has come down from 77 per cent to more a comfortable 48 per cent, with the result that the group should achieve pretax profits of £230 million with ease. The prospective multiple of 11 looks undemanding and the 5.7 per cent prospective yield positively alluring.

STOCK MARKET

S&N climbs to peak on takeover hopes

The market expects a bid any day now for Scottish & Newcastle Breweries which stood out yesterday with a surge of 29p to a peak of 293p as 11 million shares changed hands.

Whispers in the market place claim that Elders IXL, the Australian brewer headed by Mr John Elliott, has been adding to its stake and now owns about 5 per cent of the equity. Dealers reckon that Mr Elliott will eventually use his holding as a springboard to launch a full bid and they point to the dramatic rise in the price this week of 43p. Some claim that he may have already made an approach.

County NatWest, the broking arm of the NatWest Bank, is said to have been a big buyer of the shares during the past few days and may have been acting for Mr Elliott. Elders already owns a stake in the bank and has been running off steam after this week's strong run. Turnover picked up after a slow start with \$82 million shares traded on the Stock

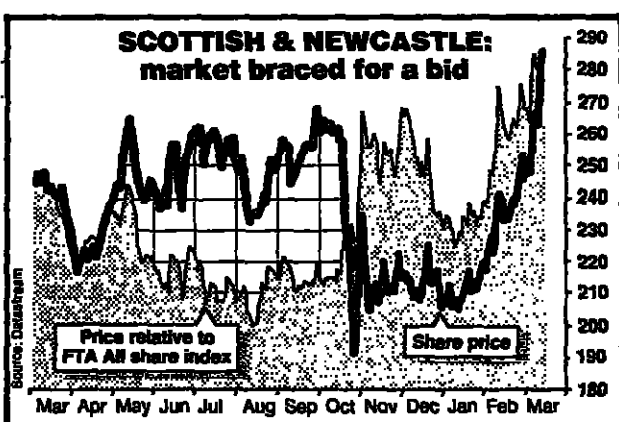
Zealand, also holds a 6.8 per cent stake in Scottish & Newcastle and will no doubt hang on for the ride should a bid materialize.

Dealers are looking for an opening shot of 350p a share which would value S&N at about £1 billion. But analysts argue that the group's hotel interests are worth at least 150p a share on their own.

S&N has now recovered all of its losses stemming from last October's crash. That will be good news for those Matthew Brown shareholders who were forced to accept S&N paper after last year's contested bid.

Elsewhere, share prices recovered from a hesitant start, helped by a steady stream of trading statements and the first signs that the pound is running off steam after this week's strong run. Turnover picked up after a slow start with \$82 million shares traded on the Stock

Sir Ron Brierley, the New



Exchange's computerized trading system (Seag).

The FT-SE 100 index clawed back an early fall of 7.5 points, to finish near its best level of the day — 19.3 up at 1,834.6. The narrower FT index of 30 shares also recovered an early fall, to close 12.2 up at 1,472.3.

Gilt suffered losses of 1½p in quiet trade after the pound saw profit taking.

Investors shrugged off their worries about the falling oil price to chase higher the shares of two of Britain's best known oil companies, BP and Shell, despite their recently going ex-dividend.

American buyers led the way with BP climbing 18p to 267p on a turnover of 36 million while the partly-paid rose 9p to 83p as another 67 million were traded.

Kleinwort Grieson, the broker, was again a big buyer of the shares. The Kuwait Investment Office is reckoned to have started the ball rolling earlier this week with further purchases and other institutional investors have followed. The KIO holding is around 20 per cent.

Shell finished the day 27p higher at £10.23 as 5.5 million shares were traded. Merrill Lynch, the New York broker, is urging clients to switch out of BP and into Shell. It points out that Shell's yield stands at a five-year high compared with the market yield while the share price is trading at its lowest level for seven years against other big oil companies.

News of a bid approach hoisted Kennedy Brooks, the Wheeler and Mario & Franco restaurant chain, by 88p to 388p. Two names mentioned in the market include Mecca and the Barclay brothers, who own the Howard Hotel. At

these levels, Kennedy Brooks is valued at £165 million.

Standard Chartered, the international banking group, fell 9p to 455p ahead of full-year figures this month. Analysts are reappraising the group after last week's boardroom changes and the speculation that a cut in the dividend may be on the way.

The market expects a loss of £150 million although Scrimgeour Vickers, the broker, says it could be anything between £400 million and £600 million. A figure of more than £500 million would be bigger than the losses suffered by Midland which is twice the size of Standard.

Boots, the chemist, was a firm market, rising 6p to 233p as almost 6 million shares were traded. Most of the action was generated in the Traded Options market, forcing traders to cover their positions.

Michael Clark

John Lewis Partnership plc department stores and Waitrose supermarkets

Preliminary results for the year to 30 January 1988

Profits rise 15% to £121m

£46m bonus for Partners

	1987/88 52 weeks £m	1986/87 53 weeks £m	% change
Sales	1,724.8	1,568.4	+10
Trading Profit	140.9	122.4	+15
Interest	5.0	3.7	+35
Pension Fund Contributions	14.6	13.2	+11
Profit before tax	121.3	105.5	+15
Taxation	27.5	23.9	+15
Preference Dividends	0.2	0.2	-
Surplus available for profit sharing and retentions	93.6	81.4	+15
Partnership Bonus	46.2	42.2	+9
Retentions	47.4	39.2	+21

Profit Sharing All the equity capital of John Lewis Partnership plc is held in trust for the benefit of the workers in the business. The profits remaining after taxation, preference dividends, pensions and allocations to reserves are distributed yearly among the workers as Partnership Bonus in proportion to their pay. This year the rate of distribution will be 24% of pay (1986/7 24%).

For further details please telephone 01-637 3434 ext 6221 or write to Chief Information Officer, 4 Old Cavendish Street, London W1A 1EX.

CAMBRIDGE ELECTRONIC INDUSTRIES PLC

	1987	1986	% change
Year ended 31st December			
Turnover	£147.0m	£132.4m	+11.0%
Profit before taxation	£13.0m	£10.1m	+28.6%
Earnings per share	19.9p	14.7p	+35.4%
Dividends per share	8.5p	8.0p	+6.2%

* Significant progress made by the group in 1987.

* Increased profits from restructuring of activities and improved trading conditions.

* Order book at the end of 1987 substantially higher than previous year.

* Strong positive cash flow and net cash balance at year end.

* Encouraging prospects for profitable expansion in the UK and overseas.

If you would like a copy of the 1987 annual report, which will be published on 15th April 1988, please fill in this coupon and send to:

The Secretary,
Cambridge Electronic Industries PLC,
Botanic House, 100 Hills Road,
Cambridge CB2 1LQ.

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Address

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John Bell analyses Farmers' position on the BAT bid

How a Californian giant grew away from its farming roots

BAT looked as though it had blotted its copy book when the first news of its biggest-ever diversification reached the City. Shares of the tobacco-tobacco services group tumbled when investors learned that BAT would splash out more than \$4 billion (£2.24 billion) to buy Farmers, the US insurance group.

First, the proposed outlay of \$60 a share for a group with assets of only \$22 a share unnerved fund managers. Second, London knew little or nothing of the Los Angeles-based Farmers. What it did learn from more knowledgeable insurance watchers on Wall Street was not comforting. The message came back loud and clear that Farmers was a highly unusual corporate animal which would not come cheaply, if at all. An auction by BAT could lead to short-term damage in the shape of unacceptable levels of earnings dilutions.

Several weeks later three things have emerged. First, the City's initial fears were entirely misplaced. BAT's strategy, far from being faulty, looks impeccable on closer examination. Second, the little-known Farmers group would be far more of a jewel in BAT's crown than most shareholders realize. And third, the battle to win control may be far more complex, lengthy and costly than has been appreciated in London.

Farmers occupies a prized position as number two in the US insurance market for so-called personal lines, dealing with risks such as car, property and casualty. Including the much smaller life insurance operations, it is the seventh-largest insurance group in the US. But its structure is far from conventional.

"Farmers Group Inc, the publicly-listed group, is not an

insurance company," says Mr Charles Schultz, the chief financial officer. "Apart from the life businesses, Farmers does not underwrite policies or pay claims, it does not participate in underwriting gains or losses from the property and casualty operations."

Farmers' strength, giving it an unbroken record of growth in earnings since it started trading in 1928, is that it is a management company. Its income arises from the running of three large groups of policyholders known as "reciprocity" similar to British mutual insurance companies.

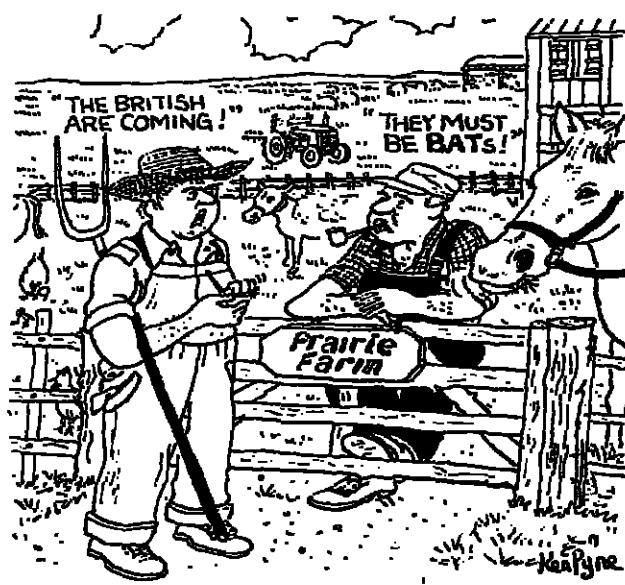
Reciprocity date back to the late 1880s when individuals who felt they were not able to find insurance cover at acceptable rates decided to pool their cash and effectively insure each other. Farmers started when groups of ranchers and agricultural small-holders banded together to give themselves cheap car cover. The pools of policyholders themselves take on board the ups and downs of underwriting cycles.

Our position is that we are not for sale

Farmers Inc receives its revenue from dealing with the administration of the reciprocity, collecting premiums, managing investments and setting rates.

"Our success speaks for itself in terms of performance," says Mr Schultz. "Premium growth has compounded at 14 per cent annually since 1973. It reached \$5 billion in 1987. Prospects are every bit as good as the record suggests."

"Over the past five years shareholders have enjoyed an average return of capital ap-



preciation plus dividends of 21.4 per cent; over the past 15 years returns to shareholders averaged 18 per cent, substantially better than the Standard & Poor's 500 index," he said.

There are 11 million policyholders backed by \$11.5 billion of assets, 70 per cent of which is directly owned by policyholders, not by the listed company.

If BAT manages to win the takeover battle, it will add to its subsidiaries Eagle Star and Allied Dunbar a leading player in the US insurance market, which itself accounts for about half the world total. And Farmers is strong in the 26 western and mid-western states where economic growth tends to be faster than the national average.

But there is a long way to go before BAT can claim victory.

Mr Leo Denlea, the Farmers chairman, says BAT's \$60 per share sighting shot was "inadequate."

"Our basic position is that we are not for sale."

"Since we have never put the company on the market we are not required to negotiate a sale with anyone. We pointed out to BAT that we have well served our shareholders year in and year out. We say to the company that

Farmers will do better as an independent

we will do better in continuing as an independent."

Mr Denlea points out, however, that for legal reasons he is not able to comment on BAT's improved tender offer. "If someone comes along with what the lawyers call a pre-emptive offer we have to consider it."

"That was the statement I made at the time and a lot of people chose to regard that as saying that we wanted to sit down and negotiate a price. This is not the case. We will have a meeting of

the board in due course and will respond to the tender offer but I can't say when."

Mr Denlea said Farmers' attitude to any possible bidder was to ask what they could bring to the party that Farmers needed but could not provide itself. "To be very candid, every chief executive in the US is paranoid about takeovers because they happen and continue to happen. But we always felt that our results speak for themselves. In most takeovers the target company is poorly managed, underutilizes its assets, and earnings tend to be poor. That is not the case with Farmers."

Mr Denlea, aged 58, but who looks 10 years younger and plays basketball for a hobby, is sanguine about the future. "We are confident that we can continue to provide excellent results," he said.

According to Wall Street analysts BAT is unlikely to derive much comfort from Farmers' performance in the present year; estimates range between a 15 and 20 per cent rise in net earnings per share.

Before BAT can gain control of Farmers it must clear some formidable regulatory hurdles. It must satisfy nine key state insurance authorities which supervise much of Farmers' business. This may not be impossible but it may be lengthy and difficult.

In a US election year public opinion could go against the BAT bid. "In this country we are constrained because we cannot write off goodwill but have to amortize it against earnings. If the goodwill element is big this can be a killer for acquiring companies," said Mr Denlea. "Personally I have difficulty with the concept that you can pay lots of money, then write it off and still call it a good deal."

COMMENT David Brewerton

Rover's assets could come to BAe's rescue

Jim Slater, one-time whiz-kid banker and minus millionaire, and more importantly one-time director of BLMC, the doomed car group which eventually became Rover, will be able to see the logic of British Aerospace's proposed acquisition of Rover. The deal offers first a profits strip, and then an assets strip. Rover could rescue, if necessary, British Aerospace, not the other way round.

The profits strip becomes credible with the publication of group results showing a pretax loss of only £21.6 million, compared with the £455 million deficit of 1986. At the pre-interest level, the group produced a profit of £27.9 million, which, after the first-half pre-interest loss of £7.3 million suggests a second-half profit of £35.2 million.

BAe has made it clear that it will buy Rover Group only when its balance sheet has been cleaned up, and despite the dark murmurings from Brussels, it is likely to get its way. If the debt to the Government is written off and the bankers repaid, Rover could be producing profits at the rate of £75 million a year even with no further productivity improvements. Rover thus acquires a positive value as soon as the debt is written off, and it is not at all difficult to value the group at £250 million on the basis of profits alone.

But there is more to Rover than profits. There are assets. Acres and acres of them. Jim Slater, who learned about business at the knee of Lord Stokes, knew the worth of the assets that the group represented, but was never able to do anything to exploit them. Professor Roland Smith, chairman of BAe, also knows all about assets because his own company is also stuffed with them. Between BAe and Rover, there is scope for enormous rationalization, and sales of surplus sites. The sums could run to hundreds of millions.

At just one site which is already surplus to Rover's needs, the former Bathgate truck plant, there are plans to build on a million square feet of space a smaller version of the Metrocentre containing a department store, shops, a leisure centre and 8,000 car parking spaces. Rover's land and buildings, virtually all freehold, were included in the 1986 accounts at a valuation of just under £140 million. The real value is much higher.

BAe, meanwhile, is also a treasurehouse of assets, many underutilized. In many ways, BAe today resembles an earlier incarnation of Rover, with huge development costs eating away at profitability, and profits being eroded not by strikes but by currency swings. Rover's profits could arrive just in the nick of time.

Room near the top

The Bank of England's management organization chart is beginning to look decidedly full of holes. Since Robin Leigh-Pemberton was reappointed as Governor in January, he has lost two of his four executive directors. Yesterday, he mislaid his only remaining associate director, Peter Cooke. Was it something he said?

The moves, though quite separate, are not entirely coincidental. The Governor has not, it seems, been conducting a thorough personnel rethink after the considerable uncertainty over his own future was removed in good time by Mrs Thatcher. Rather, individuals appear to have been reassessing their own career prospects in the absence of movement at the top and, in some cases, faced with challenging outside offers.

Mr Cooke's prospects did not look good. He has developed formidable experience and reputation in the arcane but increasingly vital field of international bank regulation. It is as much a tribute to a convenience that the committee he chaired became known as the Cooke committee.

But the committee's work on convergence of bank capital adequacy has reached fruition; he has been running it for 11 years and international organizations become restive unless someone else is eventually given a turn.

At home, Mr Cooke carried the can for the mistakes over Johnson Matthey Bankers and was clearly not lined up for a big new job. In particular, he was not destined to take over as executive director in charge of banking supervision when Rodney Galpin goes to head Standard Chartered. Brian Quinn, now head of the supervision department, looks a short favourite to step up to the top ranks with Eddie George and Anthony Loehnis, the overseas director.

Mr Cooke, like David Walker, will not be directly replaced. But there are certainly gaps at the top. By statute there can only be four executive directors and, with Mr Walker staying on the Court when he departs for the SIB, there can only be three. Associate directors are the next best thing, along with the Governor's two policy advisers: John Flemming on the economy and the influential Tony Coleby on money.

Last autumn, the other associate director, Douglas Dawkins, retired, and his many administrative jobs were shared around, mainly between Messrs George and Walker. The Deputy Governor, Sir George Blunden, a great administrator, will not be there for ever. As Mr George eyes his job, there look to be plenty of opportunities for the next generation to come on. Watch the Governor's next round of appointments for the next Governor but one.

Jump by Frogmore

Frogmore Estates, the property trading and investment company, made first-half pretax profits to the end of December of £22.7 million, (£8.4 million).

The profit came from £17.4 million in trading (£8.2 million), and £5.3 million from investment property sales (£172,000).

Arenson up

Arenson Group, the office furniture manufacturer, reports an interim pretax profit for the period ended January 31 of £904,000 (£351,000), and is raising its interim dividend from 0.55p to 1.1p.

Lloyd's move

The ruling council of Lloyd's insurance market has accepted proposals for the regulation of Lloyd's brokers contained in last November's consultative document.

CALA ahead

CALA, the Scottish house-builder, increased profits in the six months to end-December from £1 million to £1.6 million. An interim dividend of 0.85p was declared.

William Collins' profits advance 55%

By Michael Tate

Mikhail Gorbachev's *Perestroika* and the two *Days in the Life of...* books on America and the Soviet Union helped William Collins, the Glasgow publisher, to a 55 per cent increase in pretax profits in 1987, to £24.1 million.

The *Day in the Life of...* books have together sold more than 1.5 million copies at £40 (£21.70) apiece, says Mr Ian Chapman, Collins' chairman and chief executive, while Mr Gorbachev's book, a publishing precedent, has sold 50,000 copies in the UK.

The results are the first from Collins since last September's £96 million acquisition of a 50 per cent stake in Harper & Row, the US publishing house, from Mr Rupert Murdoch's US subsidiary, News America.

They include a £4.7 million pretax contribution from Harper & Row, covering the three and a half months since the acquisition.

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Harper & Row has been run

by Collins' deputy chairman, Mr George Craig, since last May and in the eight months to end-December, it made \$28.4 million—"well ahead of our expectations," says Mr Chapman.

Mr Craig is, however, leaving Collins over a "certain difference in approach" but is expected to be appointed chief executive at Harper & Row in the next few days. As he leaves, the former Babcock International finance director, Mr Christopher Taylor,

moves in as group finance director.

Collins' earnings are up from 30.4p to 41.0p a share, and shareholders, including Mr Murdoch's News International, owner of 41.68 per cent of the voting capital, pick up a final dividend of 8.5p, making 11.75p a share, a rise of 27 per cent.

Mr Chapman predicts that a best-seller price war could break out if Mr Nigel Lawson imposes a full, 15 per cent VAT rate on books next week.

Conoco ends onshore work

By David Young, Energy Correspondent

Conoco (UK), one of the leading North Sea oil producers, has pulled out of the onshore oil exploration business and sold its licences to a small Scottish exploration company.

In return, Conoco will acquire from the company an 11 per cent interest in a block in the southern sector of the North Sea where substantial gas discoveries have been made, and which adjoins a block already owned by Conoco where there has been a significant gas find.

Conoco has decided that it will concentrate its future development plans on the North Sea and hopes to bring its gas discovery on stream before the end of the decade with a new pipeline being built to take the gas to the Theddlethorpe terminal in Lincolnshire.

The onshore licences have been acquired by Caledonian Offshore, an Edinburgh-based company, set up in 1971 and whose directors include Dr Dickson Mabon, the former Labour Energy Minister who

later joined the Social Democratic Party.

Mr Bill Gammell, a director of the company, said yesterday: "A small onshore field producing 500 barrels a day can be developed by a company of our size, but would not be attractive for a company such as Conoco."

Caledonian Offshore intends to bring forward its plans to develop two of the onshore oil discoveries made by Conoco over the next two years.

Rover's advance warning

Rover Group seems to be pinning all its hopes on terminating its status as a publicly quoted company. While chairman Graham Day is away in Japan attempting to secure final approval from its joint-venture partner, Honda, for its imminent takeover by British Aerospace, the company has, I hear, had its knuckles rapped by the Stock Exchange for publishing a series of price-sensitive advertisements in national newspapers ahead of its results yesterday. But Rover appears to have shrugged such reprimands aside: the ads, which first appeared about 10 days ago, continued to be published right up to the dawn of the results, despite frosty warnings to Rover's broker, Alexander Laing & Cruickshank, from the Exchange. Flagger the results in quarter-page ads, they went so far as to promise: "You may find them mildly surprising." Dreamt up by Dorland, a subsidiary of Saatchi & Saatchi, the ads, however, break Stock Exchange codes of practice. "We do not discuss individual cases," says a spokesman for the Exchange. "But generally we would not expect companies to make potentially price-sensitive information available by way of an advertisement." On the premise that no one would advertise bad news, the shares rose 14p to 89p during the past week. Therefore, yesterday's encouraging figures were not even "mildly surprising" — and the shares slipped 4p.

THE TIMES CITY DIARY

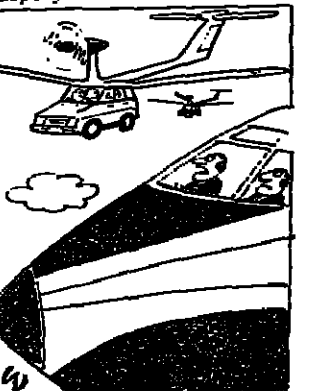
Chuckling-out time

Uproar broke out at the analysts' meeting hosted by Nicholas Ward, the tough-talking chairman of pharmaceuticals group MacCarthy, yesterday, to discuss its acrimonious \$65 million takeover bid for UniChem. Richard Hannah and Marion Sears, both Phillips & Drew analysts, were, I hear, asked to leave. P&D's corporate finance division is, after all, advising UniChem, whose

controversial marketing tactics have thrown the entire industry into turmoil. But my spy tells me that a fierce argument broke out, culminating in a threat by Schroder's Derek Netherton that: "We have heavies downstairs, but we don't want to use them." The P&D team then left. Hannah was later reluctant to talk about the incident but admitted that they had to be "persuaded" to leave.

SDPay

Unless David Steel makes his own pitch for it, Dr David Owen looks assured of at least one donations cheque in 1988: a handsome £10,000 payment from Coats Viyella. Coats' deputy chairman David Alli-



"Air traffic is quite bad enough without British Aerospace Mini Metros"

ance (no pun intended) tells me that in 1987 the group gave both the Conservative Party and the Social Democratic Party £10,000. But while Mrs T's cheque still looks good for 1988, there is some debate, after the Owen-Steel split, as to who will get the other cheque this year. "The matter is not decided yet," Alliance says, "but I thought David Owen was good at the time."

Irish highs

Patrick O'Reilly, Panmure Gordon's ebullient Irish corporate finance director, has been advising warship designer and builder Vosper Thornycroft on its imminent introduction to the stock market. The issue, valuing Vosper at some £49.3 million, is expected to go to a handsome premium when dealings start on March 17. That date is also — and coincidentally, I'm assured — St Patrick's Day.

Gillum to move on

If you think merchant bankers are looking younger these days, you are probably right. At the age of 50, John Gillum of Rothschild reckons he is the longest-serving corporate financier in the business. And now he is about to go. Gillum plans to leave the Square Mile later this year, to concentrate on his corporate roles as non-executive chairman of Atlantic Computers and Blagden Industries, and non-executive vice-chairman at Ramers. His City career began with Robert Benson & Lonsdale, later to merge with Kleinwort, in 1956. Sixteen years later he departed for Samuel Montagu, where he stayed until he fell out with Midland Bank — now Montagu's owner — in 1981. And so to Rothschild. Gillum has interesting views on the role of non-executive directors, and has himself had his controversial moments. But he has no doubts about the importance of the position he holds at Atlantic, where he stepped in following the death of founder John Foulston last year, and Blagden. "There's no such thing as a non-executive chairman," he tells me. "You're either chairman or you're not. I shall be kept busy."

After the aptly-named appointment of Mr Slipper as managing director of banana activities at Geest, the Engineering Council seems to be adopting a similar recruitment policy. Its has appointed as its new director-general Denis Filer who succeeds Kenneth Miller.

Carol Leonard

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FORGING NEW FRONTIERS IN TELECOMMUNICATIONS

Mr John Gough, Kleen-E-Ze's chairman, said: "It will add enormous expertise to our marketing arm. But the catalogue won't replace our door-to-door salesmen — if anything it will mean more of them."

Net assets rose 241 per cent to £87.5 million and net assets per share, after a £55 million rights issue last June, rose 127 per cent to 110.6p. The rights issue financed the £33 million purchase of Aztec West, a business park near the junction of

At the year-end the company had borrowings of £16 million and cash of £15.1 million. The total dividend rose 82 per cent to 4p.

BIL will transfer to FCL effective control of Winstone, the building supplies products company, and Consolidated Metal Industries.

The Winstone sale is for NZ\$444 million and CMI for NZ\$40 million. BIL is selling

Petrocorp shares were trading at NZ\$1.66 on the Wellington stock exchange early yesterday. BIL said it will accept the offer for its 101.4 million shares.

The country's unadjusted customs-cleared trade surplus fell to \$5.24 billion (£2.83 billion) in February from \$7.13 billion a year earlier, after a \$3.0-billion surplus in January, the finance ministry said.

Driscoll Mays	34%	34%	INCO	23%	23%	Tenneco	42%	42%
Driscoll Mays	34%	34%	Lock	23%	23%	Tenneco	42%	42%
Driscoll Mays	34%	34%	Midland Steel	33%	33%	Texas East	37%	37%
Driscoll Mays	34%	34%	IBM	118%	117%	Texas Inst	55%	55%
Driscoll Mays	34%	34%	Int Paper	45%	45%	Tex Util	29%	29%
Driscoll Mays	34%	34%	Inverg Inc	54%	55%	Textron	24%	24%
Driscoll Mays	34%	34%	J. & J. Lhan	48%	48%	Travelers	36%	36%
Driscoll Mays	34%	34%	K Mart	34%	35%	USG	36%	36%
Driscoll Mays	34%	34%	Kaisersteel	12%	11%	USX CP	33%	33%
Driscoll Mays	34%	34%	Kerr McGee	36%	36%	Univser Ptc	37%	37%

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FOREIGN EXCHANGES

1987/86							1987/76							1987/86							1987/76														
High	Low	Company	Bids	Price	Change	%	High	Low	Company	Bids	Price	Change	%	High	Low	Company	Bids	Price	Change	%	High	Low	Company	Bids	Price	Change	%	High	Low	Company	Bids	Price	Change	%	
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
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20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29	57	1
20	10	A. M. Sec	11	11	-1	-9	119	10	Stallard	110	115	20	18	118	10	Tempan	100	107	67	-7	58	43	Spahn	73	78	5	7	38	29	57	1	38	29</		

LONDON FINANCIAL FUTURES

[illegible]

Sterling index compared with 1975 was down at 77.1 (year's range 77.1-77.2).					OTHER STERLING RATES	
STERLING SPOT AND FORWARD RATES						
Market rates for March 10						
	Range	Close	1 month	3 months		
New Yrk	1.8490-1.8450	1.8430-1.8440	0.31-0.28p	0.92-0.87p	Argentina austral*	11.5512-11.6495
Montri	2.3145-2.3247	2.3157-2.3180	10.0-0.96c	0.24-0.01c	Australia dollar	2.5274-2.5306
Amsterdm	3.4495-3.4460	3.4465-3.4482	14-pr	45-34pr	Belgium franc	2.0822-2.0870
Brussels	1.1731-1.1757	1.1745-1.1750	14-pr	45-34pr	Brazil cruzeiro *	191.91-193.00
Copmrgn	11.7317-11.7168	11.7549-1.7515	16-pr-10c	44pr-15c	Cyprus pound	0.82-0.83
Dublin	1.1498-1.1567	1.1491-1.1504	16-pr-10c	39-30pr	Philippine mark	7.40-7.44
Frankfrt	1.8495-1.8460	1.8465-1.8484	11-pr-10c	44-34pr	Portugal escudo	246.17-247.50
Geneva	2.0518-2.0545	2.0512-2.0521	11-pr-10c	39-30pr	Hong Kong dollar	14.3710-14.3734
Lisbon	251.06-252.45	251.13-252.19	101-107cf	324-343cf	India rupee	23.74-23.93
Madrid	205.94-207.07	206.19-206.68	32-35cf	108-128cf	Kwacha of ZKD	50.00-50.00
Mexico	227.53-228.13	227.33-228.01	pa-80c	6-170c	Malaysia dollar	4.7653-4.7658
Niagar	11.6495-11.6823	11.6827-11.6823	44-34pr	153-163cf	Mexico peso	4150-4250
Paris	10.4398-10.4757	10.4470-10.4619	1-14pr	2-24pr	New Zealand dollar	2.7479-2.7538
Seoul	10.9038-10.8994	10.9038-10.9154	9-14pr	14-24pr	Saudi Arabia riyal	2.70-2.71
Stockhm	2.0618-2.0645	2.0618-2.0645	9-14pr	14-24pr	Singapore dollar	3.7689-3.7738
Tokyo	21.521-21.56	21.53-21.55	8-14pr	27-24pr	S Africa rand (Rn)	4.6748-4.6875
Vienna	2.5234-2.5496	2.5390-2.5496	14-14pr	44-44pr	S Africa rand (Rn)	4.6748-4.6875
Zurich	2.5374-2.5496	2.5390-2.5496	14-14pr	44-44pr	U A E dirham	6.6748-6.6875

*Loys Bank Rates supplied by
 Exels and Barclays Bank HOPEX

DOLLAR SPOT RATES			
Ireland	1.6020-1.6035	Denmark	6.3720-6.3770
Singapore	2.0130-2.0145	W Germany	1.8845-1.8855
Malaysia	2.5535-2.5545	Switzerland	1.3773-1.3783
Australia	1.3717-1.3727	Netherlands	1.8991-1.8701
India	2.5250-2.5265	France	6.5550-6.5560
Sweden	9.5235-9.5265	Japan	127.77-127.87
Norway	6.3280-6.3300		
		Italy	1234.5-1236.5
		Belgium (Com)	34.80-34.85
		Hong Kong	7.6000-7.6010
		Portugal	139.50-137.05
		Spain	11.75-11.77
		AUSTRIA	11.669-11.71

Rates supplied by Barclays Bank HOFEX and Extel.

MONEY MARKETS

Base Rates % Clearing Banks 9 Finance Hse 5%
Discount Market Loans %
Overnight Highs 8 Low 2 Week fixed: 8

Treasury Bills (Discount %)
 Buying: 2 mth - 8 1/4 3 mth - 8 1/2
 Selling: 2 mth - 8 1/4 3 mth - 8 1/2

Prime Bank Bills (Discount %)
 1 mth: 8 1/4-8 1/4 2 mth: 8 1/2-8 1/2 3 mth: 8 1/2-8 1/2
 6 mth: 8 1/2-8 1/2

Trade Bills (Discount %)
 1 mth: 5% 2 mth: 5% 3 mth: 5%
 6 mth: 5%

Interbank (%). Overnight open 7% close 2
 1 week: 8 1/4-8 1/4 1 mth: 8 1/2-8 1/2 3 mth: 8 1/2-8 1/2
 6 mth: 8 1/2-8 1/2 9 mth: 9 1/4-9 1/4 12 mth: 9 1/2-9 1/2

Local Authority Deposits (%)
 2 day: 7 1/4 7 mth: 7 1/4 1 mth: 8 1/4
 3 mth: 8 1/4 6 mth: 9 12 mth: 9 1/4

Local Authority Bonds (%)
 1 mth: 9 1/4 2 mth: 9 1/4 3 mth: 9 1/4-9 1/4
 6 mth: 9 1/4-9 1/4 9 mth: 9 1/4-9 1/4 12 mth: 9 1/4-9 1/4

Sterling CDs (%)
 1 mth: 8 1/4-8 1/4 3 mth: 8 1/2-8 1/2 6 mth: 9-8 1/2
 12 mth: 9 1/4-9 1/4

Dollar CDs (%)
 1 mth: 5.70-5.85 3 mth: 5.87-6.05 6 mth: 6.30-6.55
 12 mth: 7.10-7.05

EURO MONEY DEPOSITS %

Currency:	7 day	1 mth	3 mth	6 mth
Dollar:	6 1/4-6 1/4	6 1/4-6 1/4	6 1/2-6 1/2	7-6 1/2
Cal£:	5 1/2-5 1/2			
Deutschmark:	3 1/4-3 1/4	3 1/4-3 1/4	3 1/2-3 1/2	3 1/2-3 1/2
Cal£:	3 1/2-3 1/2			
French Franc:	6-7 1/2	6-7 1/2	6 1/2-6 1/2	6 1/2-6 1/2
Cal£:	7 1/4-7 1/4			
Swiss Franc:	1 1/2-1 1/2	1 1/2-1 1/2	1 1/2-1 1/2	2 1/2-2 1/2
Cal£:	1 1/4-1 1/4			
Yen:	3 1/2-3 1/2	4 1/4-4 1/4	4 1/4-4 1/4	4 1/2-4 1/2
Cal£:	3 1/4-2 1/4			

CCSD

Fixed Rate Reference Rate, Make-up pay:
 February 29, 1988 to February 28, March 5, 1988
 25, 1988. Scheme E: 10.45 per cent. Scheme A: 8.14
 10.56 per cent. Reference rate January 30, 1988 to
 February 29, 1988. Scheme F: 9.247 per cent.

LONDON FINANCIAL FUTURES																			
Open						High	Low	Close	Vol	Open						High	Low	Close	Vol
Three Month Eurodollar										US Treasury Bond									
Mar 80	91.30	91.41	90.93	90.98	1312	Jun 80	92.10	92.10	92.00	92.18	6558								
Apr 80	90.70	90.70	90.50	90.50	1312	Jul 80	92.10	92.10	92.00	92.18	6755								
May 80	90.70	90.70	90.50	90.50	1312	Aug 80	92.10	92.10	92.00	92.18	6755								
Jun 80	90.70	90.70	90.50	90.50	1312	Sep 80	92.10	92.10	92.00	92.18	6755								
Jul 80	90.70	90.70	90.50	90.50	1312	Oct 80	92.10	92.10	92.00	92.18	6755								
Aug 80	90.70	90.70	90.50	90.50	1312	Nov 80	92.10	92.10	92.00	92.18	6755								
Sep 80	90.70	90.70	90.50	90.50	1312	Dec 80	92.10	92.10	92.00	92.18	6755								
Oct 80	90.70	90.70	90.50	90.50	1312	Jan 81	92.10	92.10	92.00	92.18	6755								
Nov 80	90.70	90.70	90.50	90.50	1312	Feb 81	92.10	92.10	92.00	92.18	6755								
Dec 80	90.70	90.70	90.50	90.50	1312	Mar 81	92.10	92.10	92.00	92.18	6755								
Jan 81	90.70	90.70	90.50	90.50	1312	Apr 81	92.10	92.10	92.00	92.18	6755								
Feb 81	90.70	90.70	90.50	90.50	1312	May 81	92.10	92.10	92.00	92.18	6755								
Mar 81	90.70	90.70	90.50	90.50	1312	Jun 81	92.10	92.10	92.00	92.18	6755								
Apr 81	90.70	90.70	90.50	90.50	1312	Jul 81	92.10	92.10	92.00	92.18	6755								
May 81	90.70	90.70	90.50	90.50	1312	Aug 81	92.10	92.10	92.00	92.18	6755								
Jun 81	90.70	90.70	90.50	90.50	1312	Sep 81	92.10	92.10	92.00	92.18	6755								
Jul 81	90.70	90.70	90.50	90.50	1312	Oct 81	92.10	92.10	92.00	92.18	6755								
Aug 81	90.70	90.70	90.50	90.50	1312	Nov 81	92.10	92.10	92.00	92.18	6755								
Sep 81	90.70	90.70	90.50	90.50	1312	Dec 81	92.10	92.10	92.00	92.18	6755								
Oct 81	90.70	90.70	90.50	90.50	1312	Jan 82	92.10	92.10	92.00	92.18	6755								
Nov 81	90.70	90.70	90.50	90.50	1312	Feb 82	92.10	92.10	92.00	92.18	6755								
Dec 81	90.70	90.70	90.50	90.50	1312	Mar 82	92.10	92.10	92.00	92.18	6755								
Jan 82	90.70	90.70	90.50	90.50	1312	Apr 82	92.10	92.10	92.00	92.18	6755								
Feb 82	90.70	90.70	90.50	90.50	1312	May 82	92.10	92.10	92.00	92.18	6755								
Mar 82	90.70	90.70	90.50	90.50	1312	Jun 82	92.10	92.10	92.00	92.18	6755								
Apr 82	90.70	90.70	90.50	90.50	1312	Jul 82	92.10	92.10	92.00	92.18	6755								
May 82	90.70	90.70	90.50	90.50	1312	Aug 82	92.10	92.10	92.00	92.18	6755								
Jun 82	90.70	90.70	90.50	90.50	1312	Sep 82	92.10	92.10	92.00	92.18	6755								
Jul 82	90.70	90.70	90.50	90.50	1312	Oct 82	92.10	92.10	92.00	92.18	6755								
Aug 82	90.70	90.70	90.50	90.50	1312	Nov 82	92.10	92.10	92.00	92.18	6755								
Sep 82	90.70	90.70	90.50	90.50	1312	Dec 82	92.10	92.10	92.00	92.18	6755								
Oct 82	90.70	90.70	90.50	90.50	1312	Jan 83	92.10	92.10	92.00	92.18	6755								
Nov 82	90.70	90.70	90.50	90.50	1312	Feb 83	92.10	92.10	92.00	92.18	6755								
Dec 82	90.70	90.70	90.50	90.50	1312	Mar 83	92.10	92.10	92.00	92.18	6755								
Jan 83	90.70	90.70	90.50	90.50	1312	Apr 83	92.10	92.10	92.00	92.18	6755								
Feb 83	90.70	90.70	90.50	90.50	1312	May 83	92.10	92.10	92.00	92.18	6755								
Mar 83	90.70	90.70	90.50	90.50	1312	Jun 83	92.10	92.10	92.00	92.18	6755								
Apr 83	90.70	90.70	90.50	90.50	1312	Jul 83	92.10	92.10	92.00	92.18	6755								
May 83	90.70	90.70	90.50	90.50	1312	Aug 83	92.10	92.10	92.00	92.18	6755								
Jun 83	90.70	90.70	90.50	90.50	1312	Sep 83	92.10	92.10	92.00	92.18	6755								
Jul 83	90.70	90.70	90.50	90.50	1312	Oct 83	92.10	92.10	92.00	92.18	6755								
Aug 83	90.70	90.70	90.50	90.50	1312	Nov 83	92.10	92.10	92.00	92.18	6755								
Sep 83	90.70	90.70	90.50	90.50	1312	Dec 83	92.10	92.10	92.00	92.18	6755								
Oct 83	90.70	90.70	90.50	90.50	1312	Jan 84	92.10	92.10	92.00	92.18	6755								
Nov 83	90.70	90.70	90.50	90.50	1312	Feb 84	92.10	92.10	92.00	92.18	6755								
Dec 83	90.70	90.70	90.50	90.50	1312	Mar 84	92.10	92.10	92.00	92.18	6755								
Jan 84	90.70	90.70	90.50	90.50	1312	Apr 84	92.10	92.10	92.00	92.18	6755								
Feb 84	90.70	90.70	90.50	90.50	1312	May 84	92.10	92.10	92.00	92.18	6755								
Mar 84	90.70	90.70	90.50	90.50	1312	Jun 84	92.10	92.10	92.00	92.18	6755								
Apr 84	90.70	90.70	90.50	90.50	1312	Jul 84	92.10	92.10	92.00	92.18	6755								
May 84	90.70	90.70	90.50	90.50	1312	Aug 84	92.10	92.10	92.00	92.18	6755								
Jun 84	90.70	90.70	90.50	90.50	1312	Sep 84	92.10	92.10	92.00	92.18	6755								
Jul 84	90.70	90.70	90.50	90.50	1312	Oct 84	92.10	92.10	92.00	92.18	6755								
Aug 84	90.70	90.70	90.50	90.50	1312	Nov 84	92.10	92.10	92.00	92.18	6755								
Sep 84	90.70	90.70	90.50	90.50	1312	Dec 84	92.10	92.10	92.00	92.18	6755								
Oct 84	90.70	90.70	90.50	90.50	1312	Jan 85	92.10	92.10	92.00	92.18	6755								
Nov 84	90.70	90.70	90.50	90.50	1312	Feb 85	92.10	92.10	92.00	92.18	6755								
Dec 84	90.70	90.70	90.50	90.50	1312	Mar 85	92.10	92.10	92.00	92.18	6755								
Jan 85	90.70	90.70	90.50	90.50	1312	Apr 85	92.10	92.10	92.00	92.18	6755								
Feb 85	90.70	90.70	90.50	90.50	1312	May 85	92.10	92.10	92.00	92.18	6755								
Mar 85	90.70	90.70	90.50	90.50	1312	Jun 85	92.10	92.10	92.00	92.18	6755								
Apr 85	90.70	90.70	90.50	90.50	1312	Jul 85	92.10	92.10	92.00	92.18	6755								
May 85	90.70	90.70	90.50	90.50	1312	Aug 85	92.10	92.10	92.00	92.18	6755								
Jun 85	90.70	90.70	90.50	90.50	1312	Sep 85	92.10	92.10	92.00	92.18	6755								
Jul 85	90.70	90.70	90.50	90.50	1312	Oct 85	92.10	92.10	92.00	92.18	6755								
Aug 85	90.70	90.70	90.50	90.50	1312	Nov 85	92.10	92.10	92.00	92.18	6755								
Sep 85	90.70	90.70	90.50	90.50	1312	Dec 85	92.10	92.10	92.00	92.18	6755								
Oct 85	90.70	90.70	90.50	90.50	1312	Jan 86	92.10	92.10	92.00	92.18	6755								
Nov 85	90.70	90.70	90.50	90.50	1312	Feb 86	92.10	92.10	92.00	92.18	6755								
Dec 85	90.70	90.70	90.50	90.50	1312	Mar 86	92.10	92.10	92.00	92.18	6755								
Jan 86	90.70	90.70	90.50	90.50	1312	Apr 86	92.10	92.10	92.00	92.18	6755								
Feb 86	90.70	90.70	90.50	90.50	1312	May 86	92.10	92.10	92.00	92.18	6755								
Mar 86	90.70	90.70	90.50	90.50	1312	Jun 86	92.10	92.10	92.00	92.18	6755								
Apr 86	90.70	90.70	90.50	90.50	1312	Jul 86	92.10	92.10	92.00	92.18	6755								
May 86	90.70	90.70	90.50	90.50	1312	Aug 86	92.10	92.10	92.00	92.18	6755								
Jun 86	90.70	90.70	90.50	90.50	1312	Sep 86	92.10	92.10	92.00	92.18	6755								
Jul 86	90.70	90.70	90.50	90.50	1312	Oct 86	92.10	92.10	92.00	92.18	6755								
Aug 86	90.70	90.70	90.50	90.50	1312	Nov 86	92.10	92.10	92.00	92.18	6755								
Sep 86	90.70	90.70	90.50	90.50	1312	Dec 86	92.10	92.10	92.00	92.18	6755								
Oct 86	90.70	90.70	90.50	90.50	1312	Jan 87	92.10	92.10	92.00	92.18	6755								
Nov 86	90.70	90.70	90.50	90.50	1312	Feb 87	92.10	92.10	92.00	92.18	6755								
Dec 86	90.70	90.70	90.50	90.50	1312	Mar 87	92.10	92.10	92.00	92.18	6755								
Jan 87	90.70	90.70	90.50	90.50	1312	Apr 87	92.10	92.10	92.00	92.18	6755								
Feb 87	90.70	90.70	90.50	90.50	1312	May 87	92.10	92.10	92.00	92.18	6755								
Mar 87	90.70	90.70	90.50	90.50	1312	Jun 87	92.10	92.10	92.00	92.18	6755								
Apr 87	90.70	90.70	90.50	90.50	1312	Jul 87	92.10	92.10	92.00	92.18	6755								
May 87	90.70	90.70	90.50	90.50	1312	Aug 87	92.10	92.10	92.00	92.18	6755								
Jun 87	90.70	90.70	90.50	90.50	1312	Sep 87	92.10	92.10	92.00	92.18	6755								
Jul 87	90.70	90.70	90.50	90.50	1312	Oct 87	92.10	92.10	92.00	92.18	6755								
Aug 87	90.70	90.70	90.50	90.50	1312	Nov 87	92.10	92.10	92.00	92.18	6755								
Sep 87	90.70	90.70	90.50	90.50	1312	Dec 87	92.10	92.10	92.00	92.18	6755								
Oct 87	90.70	90.70	90.50	90.50	1312	Jan 88	92.10	92.10	92.00	92.18	6755								
Nov 87	90.70	90.70	90.50	90.50	1312	Feb 88	92.10	92.10	92.00	92.18	6755								
Dec 87	90.70	90.70	90.50	90.50	1312	Mar 88	92.10	92.10	92.00	92.18	6755								
Jan 88	90.70	90.70	90.50	90.50	1312	Apr 88	92.10	92.10	92.00	92.18	6755								
Feb 88	90.70	90.70	90.50	90.50	1312	May 88	92.10	92.10	92.00	92.18	6755								
Mar 88	90.70	90.70	90.50	90.50	1312	Jun 88	92.10	92.10	92.00	92.18	6755								
Apr 88	90.70	90.70	90.50	90.50	1312	Jul 88	92.10	92.10	92.00	92.18	6755								
May 88	90.70	90.70	90.50	90.50	1312	Aug 88	92.10	92.10	92.00	92.18	6755								
Jun 88	90.70	90.70	90.50	90.50	1312	Sep 88	92.10	92.10	92.00	92.18	6755								
Jul 88	90.70	90.70	90.50	90.50	1312	Oct 88	92.10	92.10	92.00	92.18	6755								
Aug 88	90.70	90.70	90.50	90.50	1312	Nov 88	92.10	92.10	92.00	92.18	6755								
Sep 88	9																		

COMMODITIES

LONDON FOL

Wheat of a	CODD	Q W	London
by still	Mar 830-58.4	Oct 1016-117	1016
to 100	May 1016-117	Nov 1016-117	1016
right trade,	July 972-973	May 1082-065	1082
	Sep 899-988	Nov 6500	6500
Wheat of a	Mar 1122-122		
by still	Nov 1222-226		
to 100	May 1135-156	Jan 1246-251	1246
right trade,	July 1170-80	Mar 1222-226	1222
	Sep 1202-204	Nov 2141	2141
Wheat of a	BUGAR	C Crampton	1000
by still	Mar 774	Oct 774	774
to 100	May 1884-88.2	Dec 1877-86.6	1877
right trade,	Aug 1880-87.8	Mar 1861-88.0	1861
	Oct 1861-88.0	Nov 1861-88.0	1861
Wheat of a	LONDON GRAIN FUTURES		
by still	WHEAT CLOSE 10/25	Jan 142	142
to 100	Feb 104-45	Mar 104-45	104
right trade,	Apr 101-85	May 101-85	101
	Sep 101-85	Nov 101-85	101
Wheat of a	BARLEY CLOSE 10/25	Jan 142	142
by still	Mar 103-25	May 103-25	103
to 100	Jul 103-25	Oct 103-25	103
right trade,	Nov 115-19	Jan 115-19	115
	Apr 117-18.5	Apr 125-30	125
Wheat of a	SOYABEANS		
by still	Oct 122-0-8.8		
to 100	Nov 122-0-8.8		
right trade,	Dec 122-5-24		
	Jan 122-5-24		
Wheat of a	Nov 117-18.5	Apr 125-30	125
by still	May 15		

LONDON METAL EXCHANGE

Official prices (voluntary previous day)		London West	
(£/tonne)	Cash	3 month	Time
Copper Gds A	1296 0-128.0	1215.0-1218.0	202000
Copper Standard	1240.0-1245.0	1185.0-1195.0	100
Lead	344 0-345.0	340.0-345.0	39425
Zinc H Gds	511 0-515.0	511.0-512.0	21975
Lead	344 0-345.0	340.0-345.0	39425
Silver Standard	633 0-640.0	643 0-648.0	5300
Aluminium	232 0-235.0	232 0-235.0	15430
Aluminium H	125 0-125.0	131.0-117.25	15430
Aluminium H	232 0-235.0	216.5-218.5	15430
Nickel	13000-13500	10700-11000	43750

(1 Cent/s per Troy oz, (£s per tonne)

LONDON METAL
FUTURES (£/kg)

Live Pig Contract

Month	Open	Close
Mar	unc	90.40
Apr	unc	91.00
May	unc	91.00
Jun	unc	91.00
Jul	unc	91.00
Aug	unc	91.00
Oct	unc	91.00

Live Cattle Contract

Month	Open	Close
Mar	unc	117.00
Apr	unc	117.00
May	unc	117.00
Jun	unc	117.00
Jul	unc	117.00
Aug	unc	117.00
Oct	unc	117.00

Live Pig & Cattle -

MEAT & LIVESTOCK COMMISSION

Average futures prices at representative markets on March 10

(£/kg live)	Pig	Sheep	Cattle
Mar	71.15	100.74	110.82
Apr	71.15	100.74	110.82
May	71.15	100.74	110.82
Jun	71.15	100.74	110.82
Jul	71.15	100.74	110.82
Aug	71.15	100.74	110.82
Sep	71.15	100.74	110.82
Oct	71.15	100.74	110.82
Nov	71.15	100.74	110.82
Dec	71.15	100.74	110.82
Jan	71.15	100.74	110.82
Feb	71.15	100.74	110.82
Mar	71.15	100.74	110.82
Apr	71.15	100.74	110.82
May	71.15	100.74	110.82
Jun	71.15	100.74	110.82
Jul	71.15	100.74	110.82
Aug	71.15	100.74	110.82
Sep	71.15	100.74	110.82
Oct	71.15	100.74	110.82
Nov	71.15	100.74	110.82
Dec	71.15	100.74	11

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ACCUMULATOR	£108,000
Claims better than 47 points	
Claimants should ring 0254-53272	

3	21.0	4.8	10.8
5	11.2	2.8	11.9

Dividend & Interest
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ISLE OF MAN

FOCUS

A haven with the best of both worlds

Pictures by Adrian Baker

The island that is paradise, particularly to the financial community, has a special relationship with the UK. Ronald Faux finds it is now tackling special problems

Rarely in the 1,008 years since the Isle of Man Parliament was established by the Vikings, has the special relationship with the mainland been more keenly valued. Over the years it has achieved the best of all possible worlds — or as the Lancashire holidaymakers who helped make the place famous might have put it, it has held on to both the spice and the halibut.

It is part of the British Isles observing the Queen as Head of State and Lord of Man. It has a Lieutenant Governor, Major General Laurence New, yet has never been part of the United Kingdom or saddled with UK legislation inappropriate to a place that is, in scale, small and beautiful. Through Tynwald and the House of Keys, the Manx Parliament, the islanders have recently used their autonomy with skill by designing legislation to attract outside investment on a large scale.

Thus Manxmen pay income tax at only 20 per cent. They do not suffer taxes on capital gains or transfers or on inheritances. The retained profits of resident companies and profits remitted to non-residents are also taxed on that scale.

The standard of living is lower than that on the mainland in purely economic terms, but as Miles Walker, the Chief Minister, points out, income is not everything, especially when you are able to keep more of what you earn. Mr Walker has a clear vision of the island's future and how it should attempt to achieve full employment and an economy healthily balanced between light, high-value industry and the financial services that an offshore island can provide.

Change came from the recession and the collapse of traditional tourism. The is-

ment insists is still too high, but demand, particularly in finance and building, is generating 80 jobs a week.

The reason for this success has been partly the availability of grants to incoming industry for new buildings, plant and machinery, plus working capital loans and help towards marketing, training and relocation costs. Then follow the advantages of a relatively benevolent tax regime, an available workforce that has proved it can adapt to modern technology and a pleasant working environment.

There is no doubt that the recent prolonged shipping strike provoked by the need to rationalise and the island's tourist industry of their vulnerability.

The Isle of Man Steam Packet Company — now a subsidiary of Sealink — carries around five million passengers a year on its year-round roll-on-roll-off freight and passenger service between Douglas and Heysham.

Manx Airlines took over the British Airways services to the mainland and recently acquired an 85-seat DC9 to link Ronaldsway with Heathrow in less than an hour.

Travel to the island was reported to have increased by 37 per cent between June 1986 and June last year.

To meet the rapid increase in demand for reliable telecommunications by the financial and industrial sectors, Manx Telecom, a wholly owned subsidiary of BT, has increased spending by £3.5 million a year.

In the past year a fibre optic submarine cable has been laid between the island and Cumbria providing 10,000 circuits for telephone and television links to the mainland. The old cable offered 132 circuits. There is a microwave link between the island, Northern Ireland and the British mainland, and next month the Satellite Earth station opens on the Isle of Man providing



Double attraction at the Isle of Man seaside: the harbour at Douglas and the traditional horse-drawn tram on the Douglas promenade

communications circuits and data links to North America and Europe.

The 30 per cent growth in traffic in the past year and 12 per cent increase in the number of business customers reflected the increased size of the economy.

Another success in utilizing the island's independent status has resulted from the

The changes could make the island duty-free

shipping and marine register, which allows ships to fly the Red Ensign at less cost than British registration. In four years the volume of Manx-registered shipping has risen from 34 registered vessels at 62,000 tonnes to around 200 ships at five million tonnes.

The Marine Administration and the large seafarers' unions insist that the Manx flag is not merely one of convenience. For shipping companies burdened by high fuel and labour

costs and strong competition, it is a convenient flag to fly. Larger carriers have found that the move to a Manx flag can save £15 million or more a year and for the unions there is a stronger likelihood that the seafaring jobs they offer will go to British seamen.

All these factors contribute to a new optimism that continues to fill the Isle of Man with a sense that the economic tide has turned and that the leaner structure of government introduced in the past year will secure a prosperous future.

What, then, are the snags and where does the Government expect that there could be limitations on the improvements to the Manx economy.

The Government recently produced a long list of problems that it said had to be recognized. The Isle of Man was a low-pay economy with the average wage only 58 per cent that of the mainland as a gross domestic product. Though this had some benefits in attracting industry the Government had no wish to become renowned as the place industry should head for to find a pool for low-paid workers.

The figure was distorted by a lesser number of extremely high earners, but this factor seriously limited standards of living on Man and the amount of revenue the Government could raise.

The island had no natural mineral resources to exploit, only the enterprise of its people and the uniqueness of its constitutional position. There was no inherent demand for goods and services to ensure their supply at an economical cost.

Almost a quarter of the population were over retirement age, substantially above the mainland average, and this placed extra burdens on the health and welfare services and the payment of pensions.

The shift towards high technology meant many Manx folk looking for work were beached by their own lack of skills in these new industries and there were limitations on the Government's ability to raise the resources to cope with the shortage.

There is growing pressure to abrogate the common customs agreement with the UK that fetters the Manx Government's discretion to change indirect taxation. Such a change would turn the island into a duty-free area and — more important — allow it to levy its own VAT rates.

The island's leaders recognize that such a small community is particularly vulnerable to outside influences over which there can be no local control. This bitter lesson was learned during the economically stagnant years of the early 1980s, but the increasing unity and standardization within the European Community is seen as posing further threats to Man's freedom of action.

A market that means money

Property prices are generally an accurate barometer of economic health in a community. On the Isle of Man the average rises of 30 per cent in house values in the past year reflect the improving climate, although prices remain remarkably attractive when compared with the cost of equivalent homes on the mainland, writes Ronald Faux.

Keith Kerruish, of the estate agents Chrystal, said some improved properties had risen 70 per cent in value and one classic Georgian house went from £100,000 to £350,000 within two years.

"You have to bear in mind that we are starting from a much lower point than the average for the UK and there was not that earlier dramatic lift in values," he said.

As a rule of thumb, a country house with four to five bedrooms and a couple of acres would now be expected to fetch up to £260,000. A

newly built four-bedroom family house could cost up to £140,000 and the traditional three-bedroom semi between £40,000 and £45,000.

Office accommodation is under some pressure. Many of the former small hotels in Douglas have been taken over for business use but there is a planning constraint on such applications for new use.

Property prices as much as the relaxed lifestyle on the island are important in attracting newcomers to the Manx community. The population has grown in the past two years but remains about 8,000 short of the Government's target of 75,000, the optimum to ensure the best economic return to the island while ensuring that it remains uncrowded and unstressed.

One government official noted that the number of millionaires choosing Man as a safe haven for their funds had not grown significantly

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ISLE OF MAN

A new reputation for the banks

The dramatic collapse in 1982 of the Savings & Investment Bank, which obliterated £42 million of depositors' money, has overshadowed the Isle of Man's development as an offshore banking centre ever since. Only now is the island beginning to recover its confidence in attracting more banks to its shores.

The collapse of this bank vividly illustrated the hopelessness of banking supervision on the Isle of Man. Only months before the disaster, the Government had certified the bank as being in a healthy condition. But there was no compensation fund for private depositors, many of whom had lost their life savings.

The Manx Government was finally pressured by public opinion into conducting an inquiry more than a year later. It did not publish the results.

Another independent inquiry by Bank of England officials was then held, even though the Bank holds no formal supervisory authority in the island. The Manx Government again refused to publish the results. It also prevented the officials involved in the Savings & Investment Bank collapse from testifying in court when cases were brought by distressed depositors.

These own goals gave the impression that the Isle of Man was a centre merely for seat-of-the-pants banking, supervised by a bunch of amateurs. The reputation was not wide of the mark.

In the past few years, however, the island has made strenuous efforts to change this image. Jim Noakes took over as banking supervisor after the Savings & Investment Bank crash and virtually banned new banks from entering the island for three years.

This ban was not lifted until 1986 when a few highly reputable institutions, such as Robert Fleming, Morgan Grenfell and Hongkong Bank were allowed to set up shop there.

In the interim, the Manx Government worked hard to

Confidence is returning after the disastrous failure of one institution that caused many investors to lose their savings

introduce a more rigorous supervisory structure for banks. It now claims to have a more solidly based system than almost any other offshore centre. For example, banks are licensed and supervised by a Financial Supervision Commission. The amount of insurance required by a bank's auditors in the event of a bank collapse is now so large that only the big international companies can afford to do it.

Moreover, after last November's Tynwald elections, which changed the Government, a new Finance Minister has been appointed. David Cannan is seen as a champion of small shareholders' rights.

Channel Islands are the example

which bodes well for banking regulation on the island and for the unfortunate Savings & Investment Bank depositors. Mr Cannan has already promised new investigations into whether prosecutions of those involved in the collapse are necessary.

The new attitude has helped deposits on the island to grow, albeit rather fitfully, during the past few years. By the end of last year they had reached £3.5 billion.

The island is now promoting itself as a banking centre more confidently. Mr Noakes firmly rejects the idea of encouraging "brass-plate" operations — such as those in the Caribbean or Panama — to set up on the island. The model is much more that of the Channel Islands.

The Channel Islands have always tried to attract high-

quality banks. They have also concentrated on the retail end of the market rather than the more shadowy wholesale banking operations. The Isle of Man wants to attract the same type of business.

But although it competes to some extent with the Channel Islands, the Isle of Man also stands to benefit from their success. Jersey and Guernsey are becoming too full, and appropriate applicants turned away from there are likely to find an alternative home in the Isle of Man.

Developments in the European Community may also help. After unification of financial markets in Europe in 1992, "offshore" banking centres such as Luxembourg will no longer have their privileged status. Banks will be looking hard for an alternative.

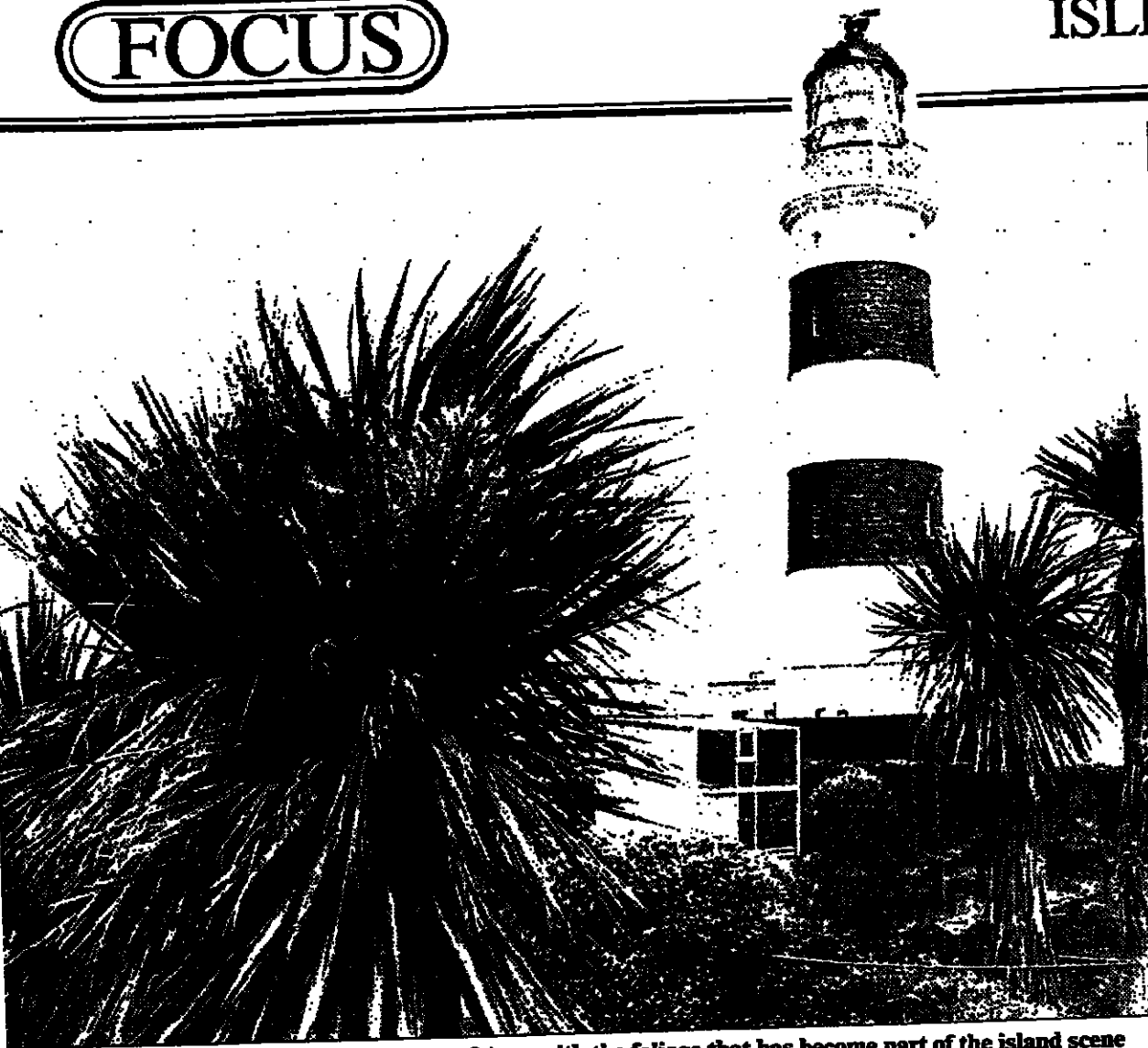
So which banks are lining up for a place on the island? The Government points out that there are already subsidiaries there owned by a wide range of banks from around the world, including New Zealand and India. It is trying to interest US banks.

So far, no significant bank from the United States has seen the need to set up on the Isle of Man, but a campaign targeted at several of the largest banks — particularly those with substantial European operations — and at US supervisory authorities could eventually change that.

Conditions certainly look propitious for the island. As banking operations become more sophisticated, the need for offshore operations to provide special services is only likely to grow. This will be fuelled by the boom in retail banking in the UK and Continental Europe and the widening of services that banks feel the need to offer.

The Isle of Man still has some way to go before convincing the international banking community that it is the up-market, orderly and prosperous offshore centre it considers itself to be. But the slowly-but-surely approach is probably the best.

Richard Thomson
Banking Correspondent



Keeping watch: the lighthouse at Point of Ayre with the foliage that has become part of the island scene

Services bringing in the prosperity

The Isle of Man has increasingly established itself in recent years as an alternative location for financial services to the Channel Islands, writes David Smith.

The expansion has come about partly because Jersey and Guernsey have approached saturation point.

Many of the companies now expanding — in insurance, banking or stockbroking — would probably have chosen the Channel Islands had it not been for the property prices and the difficulties in obtaining work permits in Jersey and Guernsey.

In addition, some companies, prevented from expanding in the Channel Islands, have instead expanded on the Isle of Man.

Douglas-based Cresta Holdings, which has substantial financial services interests and is listed on the London Stock Exchange, announced considerably increased profits last month. Brian O'Connor, the chairman, said his company had benefited from the expansion clampdown in Jersey and Guernsey, and the tighter banking supervision in the Isle of Man of the past four years had encouraged growth there.

Some companies were inevitably nervous after the Isle of Man banking scandals of the early 1980s, but most of these worries appear to have subsided thanks to the new, tighter rules.

The island has appealed particularly to so-called "captive" insurance companies — offshore businesses carried out with a mainland parent company. These businesses, strong in Guernsey, have been expanding rapidly on the Isle of Man, partly lured by complete tax exemption for offshore companies.

The hope is that more businesses will switch from captive insurance to offshore life insurance, which has a greater effect on the island's employment prospects.

Eagle Star has had an offshore life assurance operation on the island for some time, and last year Clerical Medical International set up its offshore base in Douglas.

Now industry is in on the boom

The Isle of Man economy, boosted by an expanding financial services sector, is growing strongly. This growth is reflected not only in falling unemployment and increasing prosperity but also in migration to the island, which is running ahead of official targets.

The Government had projected a population level of 75,000 by 1995, from an April 1986 figure of 64,300. But now that the population is growing by 3.5 to 4 per cent a year officials believe the target could be reached by 1992.

The population increase has not prevented a fall in unemployment — the rate has halved to 4.5 per cent in just over a year and significant shortages of suitably qualified workers have begun to emerge, notably in financial services and business.

Should the boom continue,

the Isle of Man will have to consider raising its population target, which looked optimistic when set against the falling figures of the 1970s.

Although much of the Isle of Man's economic performance mirrors that of the mainland, notably on indicators such as inflation, the low tax regime has inevitably provided an additional spur, both to migration and to economic growth.

The basic rate of tax stands at 20 per cent, and there are no higher rates. This compares with a basic rate of 27 per cent and a top rate of 60 per cent on the mainland.

Even the most dramatic cuts in taxation by the Chancellor of the Exchequer next Tuesday will leave the Isle of Man with a significant advantage in the taxation area.

In addition, the Govern-

ment would stand ready to consider reductions in tax rates if the gap with mainland taxation levels was seen to narrow too sharply.

The financial services industry has been the leading edge in the island's boom during the 1980s, but Government officials are keen to emphasize that there are other expanding areas.

Companies considering locating industrial activity on the Isle of Man are offered an attractive package of incentives, including 40 per cent discretionary grants on new buildings, building improvements and plant and machinery, 50 per cent grants for approved training schemes and loans covering 50 per cent of working capital needs at low interest rates.

The tax regime is also a powerful pull for companies, with the corporation tax rate set at a low 20 per cent, the same as the rate of income tax.

The contribution of manufacturing industry to the island's economy is rising towards 20 per cent, helped by new ventures in high technology. Last year a Texan company, American Biodynamics, established a manufacturing and marketing operation on the Isle of Man for the production and sale of electronic devices used on kidney dialysis machines.

There are also high hopes for the Isle of Man's freeport. This 20-acre site, which will offer the usual freeport facilities, including exemption from planning requirements, duty-free storage and an absence of customs procedures, is conveniently placed near Ronaldsway airport.

David Smith
Economics Correspondent

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Causation to be established in negligence claim Tree order compensation is loss of value of land

Wilsher v Essex Area Health Authority
Before Lord Bridge of Harwich, Lord Fraser of Tullycreegan, Lord Lowry, Lord Griffiths and Lord Ackner
[Judgment March 10]

Where a defendant's negligence was one of several different factors which could have caused a plaintiff's injury, the occurrence of the injury following the defendant's negligence provided no evidence that it was the defendant's negligence rather than one or more of the other factors which caused the plaintiff's injury.

If there was conflicting expert evidence as to whether the defendant's negligence could have caused or materially contributed to the plaintiff's injury, the trial judge had failed to make findings on that question, the causation must be retried before a different judge.

The House of Lords so stated allowing an appeal by the defendant, Essex Area Health Authority, from the decision of the Court of Appeal (1987 QB 730) whereby the majority had dismissed the appeal from the decision of Mr Justice Peter Pain who had given judgment for the infant plaintiff, Martin Wilsher, in the sum of £16,119. The House ordered a retrial on the causation issue.

Mr Henry Brooke, QC and Mr Stephen Miller for the plaintiffs; Mr David Latham, QC and Mr James Badenoch for the defendant.

LORD BRIDGE said that the plaintiff was born three months prematurely on December 15, 1978 and suffered in the first few weeks from the afflictions which beset premature babies. He succumbed to retrolental fibroplasia (RLF), an incurable condition of the retina, in his case, caused total blindness in one eye and severely impaired vision in the other.

He sued the defendants who were responsible for the Princess Alexandra Hospital, Harlow, on the ground that his RLF was caused by an excess of oxygen tension in his bloodstream in the early weeks attributable to a want of proper skill and care in the management of his oxygen supply.

The allegations of negligence against the defendants related to two distinct phases of the plaintiff's treatment. The first (the subject of the appeal) concerned the first 38 hours after his birth. In order to monitor the partial pressure of oxygen (P O₂) in the arterial blood of a premature baby, it was standard practice to pass a catheter through the

umbilical artery into the aorta so that the P O₂ level could be measured by an electronic sensor at the tip of the catheter and by blood samples from an aperture in the catheter. It was also standard practice to check the location of the sensor by X-ray after the catheter had been inserted.

The catheter was mistakenly inserted into the plaintiff's umbilical vein so that the sensor and the sampling aperture were wrongly located in the heart instead of the aorta. That meant that they would sample a mixture of arterial and venous blood, which would consequently give a false reading of the P O₂ level in the arterial blood.

The House doctor and the registrar who were on duty at the material time and who saw the X-ray which was taken both failed to notice the mistake. The judge held that the failure amounted to negligence, for which the authority were liable.

The crucial issue which now arose and on which the Court of Appeal was divided was whether the judgment could be affirmed on the ground that any mixed level of P O₂ in the plaintiff's arterial blood before 8am on December 17, 1978 consequent on the misplacement of the catheter caused or materially contributed to the plaintiff's RLF.

Their Lordships had all agreed that the appeal had to be allowed and that the inevitable consequence was that the outstanding issue of causation must, unless the parties reached agreement, be retried by another judge.

In those circumstances, it was highly undesirable to go into the highly complex and technical evidence on which the issue depended any further than was necessary to explain why his Lordships felt inclined to reach the unanimous conclusion that it was not open to the House to resolve the issue one way or the other.

On the other hand the appeal raised a question of law as to the proper approach to issues of causation which was of great importance and of particular concern in medical negligence cases which must be considered.

There was in the voluminous expert evidence given at the trial an irreconcilable conflict of opinion as to the cause of the plaintiff's RLF. It was common ground that a sufficiently high level of P O₂ in the arterial blood of a very premature baby, maintained for a sufficiently long period of time, could have a toxic effect on the immature blood vessels in the retina leading to a condition which

might regress or develop into RLF.

It was equally common ground, however, that RLF might occur in premature babies who had survived without any artificial administration of oxygen and that there was evidence to indicate a correlation between RLF and a number of other conditions from which premature babies commonly suffered, for example, apnoea, haemorrhage, patent ductus arteriosus, all of which affected the plaintiff, although no causal mechanisms linking those conditions with the development of RLF had been identified.

However, while it is an artificial administration of oxygen causing an unduly high level of P O₂ in the plaintiff's arterial blood played in the causation of the plaintiff's RLF, it was not a necessary condition for its causation in the plaintiff's case.

Having found the defendants negligent in relation to the five periods when the P O₂ level was unduly high the judge added: "There is no dispute that this materially increased the risk of RLF."

That statement, it was now accepted, was a misstatement of the evidence. That misstatement was one of the factors which led the majority to the conclusion that the plaintiff had established a *prima facie* case on the issue of causation.

After a brief reference to the evidence of one of the plaintiff's witnesses and one of the defendant's witnesses whose answers were based on an assumption of fact which he was invited to make, the judge expressed his conclusion that "On the basis of this evidence I find that the defendant was negligent in the first and third periods of exposure did not do any damage; indeed the probability is that they did. As to the second, fourth and fifth periods the position is more doubtful."

Mr Latham, seeking to uphold the judgment in the plaintiff's favour, relied heavily on the words "indeed the probability is that they did." As to the second, fourth and fifth periods the position is more doubtful.

Mr Latham, seeking to uphold the judgment in the plaintiff's favour, relied heavily on the words "indeed the probability is that they did." As to the second, fourth and fifth periods the position is more doubtful.

He urged the House to read that as an indication by the judge that, if he had held the issue to be on the plaintiff, he would have found it difficult to do so on a balance of probabilities. The Court of Appeal did not feel able to accede to a similar submission and his Lordship agreed with them. As Lord Justice Mustill pointed out, the

judges expressed no preference for the plaintiff's experts on that point.

The starting point for any consideration of the relevant law of causation was the decision of the House in *Bonnington Castings Ltd v Wardlaw* (1956) AC 613 which was a case of a plaintiff who, in the course of his employment, contracted pneumoconiosis by the inhalation of silica dust.

Their Lordships concluded from the evidence that the plaintiff was entitled to recover damages for his pneumoconiosis, although he had not established a *prima facie* case of proving that his damage was caused by the defendant's negligence. The plaintiff was entitled to recover damages for his pneumoconiosis, although he had not established a *prima facie* case of proving that his damage was caused by the defendant's negligence.

In *McGhee v National Coal Board* (1973) 1 WLR 1 the plaintiff worked in a brick kiln in hot and dusty conditions in which brick dust adhered to his skin. The employees were held to be at fault in failing to provide adequate washing facilities for the plaintiff having to bicycle home after work his body still caked in brick dust.

The plaintiff contracted dermatitis and the evidence showed that this was caused by brick dust which was accepted. The precise mechanism of causation in the disease was not known and the further the doctors called for evidence the more difficult it was to say that the provision of showers would have materially reduced the risk of dermatitis.

The plaintiff failed in the lower courts on the ground that he had not discharged the burden of proof of causation. He succeeded on appeal to the House of Lords. Much of the academic discussion to which the decision had given rise had focused on the speech of Lord Wilberforce on two paragraphs at pp 6 and 7.

It seemed to his Lordship that both those paragraphs amounted to saying that, in the circumstances, the burden of proof was reversed and thereby ran counter to the requirements of a fair trial. His Lordship expressed his dissent in the *Bonnington* case to the contrary effect. His Lordship found no support in any of the other speeches for the view that the burden of proof was reversed, that, in respect, Lord Wilberforce's speech must be regarded as expressing a minority opinion.

The conclusion his Lordship drew from the speeches of Lord Reid, Lord Simon of Glaisdale, Lord Kilbrandon and Lord

Salmon was that *McGhee* laid down no new principle of law whatever. On the contrary, it affirmed the principle that the onus of proving causation lay on the plaintiff. Adopting a robust and pragmatic approach to the undisputed primary facts of the case, the majority concluded that it was a legitimate inference of fact that the defendant's negligence had materially contributed to the plaintiff's injury.

The decision was of no greater significance than that and to attempt to extract from it some *estoppel* principle which in some way modified, as a matter of law, the nature of the burden of proof which a plaintiff had to discharge once he had established a relevant breach of duty, was a fruitless one.

In the Court of Appeal in the instant case the majority, the plaintiff's view with understandable caution. His Lordship was unable to find any fault with the following passage in his dissenting judgment, after discussing *McGhee*: "In the present case the question was different. There were a number of different agents which could have caused the RLF. Excess oxygen was one of them. But no one can tell in this case whether excess oxygen did or did not cause the RLF. It is the RLF suffered by the plaintiff following a failure to take a necessary precaution to prevent excess oxygen causing RLF which is the issue. There is no presumption that it was excess oxygen rather than one or more of the other five factors which caused or contributed to RLF in this case. . . . On that basis the appeal must in any event be allowed."

Where expert witnesses were radically at issue about complex technical questions within their own field and were examined and cross-examined at length about their own conflicting theories, the judge's advantage in seeing and hearing them was scarcely less important than where he had to resolve some conflict of primary facts. In the present case the judge was not asked to resolve any such conflict of primary facts. He was asked to resolve a conflict of expert evidence. In the absence of relevant findings of fact by the judge, there really was no alternative to a retrial.

His Lordship would allow the appeal and set aside the order of the Court of Appeal and order retrial of the issue whether the negligence of the defendants, as found by the Court of Appeal, caused or materially contributed to the plaintiff's RLF.

Lord Fraser, Lord Lowry, Lord Griffiths and Lord Ackner agreed.

Solicitors: Hempsons; Atwater & Lill, Harlow.

Tree order compensation is loss of value of land

Bell v Canterbury City Council
Before Lord Justice Slade, Lord Justice Russell and Lord Justice Taylor
[Judgment March 10]

A landowner who had been refused permission to remove trees on woodland subject to a tree preservation order was entitled to be compensated for the diminution in the value of the land resulting from the refusal and not merely for the commercial value of the timber which he could not realise.

The Court of Appeal so held in dismissing an appeal by the compensating authority, Canterbury City Council, from the decision of the District Judge, Mr Justice Slade, in *Bell v Canterbury City Council*, for a sum varied by the Court of Appeal to £38,851.

Mr Robert Carnwath, QC and Mr Edward Cohen for the council; Mr Jonathan Milner for Mr Bell.

LORD JUSTICE RUSSELL said that Mr Bell had purchased a farm at Upper Hardies, Kent, in 1970 and in 1981 purchased 88 acres of adjoining woodland. He planned to clear scrub and coppice from 50 acres of the woodland and convert it to grazing land.

He purchased a bulldozer and proceeded to clear two acres whereon the council served on him a tree preservation order, making sections 60 of the Town and Country Planning Act 1971, covering 39 acres of the woodland.

In 1983 Mr Bell submitted an application to grub out the 39 acres so that the land could be used for agriculture. Permission was refused by the council on amenity grounds and also because the proposed works were said to be contrary to the Kent structure plan.

Before the hearing of Mr Bell's claim for compensation the council passed a resolution

that had they consented to the grubbing out they would have made a direction to replant the land.

The basis of the Lands Tribunal award was that the current capital value of the land in its present state was £450 per acre, whereas if reclamation for grazing had been permitted the value would be £1,900 per acre.

Reliance was placed by the council on article 6 of the order which provided that where consent was granted to fell part of a woodland other than for silvicultural thinning "the authority shall give to the owner of the land on which that part of the woodland was situated a direction . . . [to] replant such land . . ."

In his Lordship's judgment that article derived its authority from section 60(1)(b) and by virtue of its provisions was confined to cases where any part of a woodland area "is felled in the course of forestry operations."

The council had plainly taken the view that by passing the resolution they were effectively preventing Mr Bell from mounting any claim based on differences in land values, because no compensation would be payable if the council's refusal could arise, if, when given consent, there was a contemporaneous direction to replant.

In his Lordship's opinion, Mr Bell's proposals did not constitute forestry operations. But, in the absence of a direction to replant had been open to the council, its exercise to take effect contemporaneously with the consent would have been unreasonable under *Westbury* principles (1948) 1 KB 223 when the felling was for the purposes of reclaiming the land for grazing.

It was not the 1971 Act itself which set out the terms on which compensation was to be payable but the tree preservation order, section 174 being the enabling provision.

Article 9 of the order pro-

vided that any person who "suffered loss or damage in consequence of any refusal . . . of consent under this order shall be entitled to recover from the authority compensation in respect of such loss or damage."

The council drew attention to various provisions in the Act dealing with the measure of compensation consequent on other refusals of consent. But section 174 did not seem to define the measure of compensation. That was the function of article 9, the interpretation of which should be given with reference to other provisions in the Act.

His Lordship agreed with the submissions on behalf of Mr Bell that the words of article 9 should be given their ordinary meaning and that the proved diminution in the value of his interest in his land amounted to "loss or damage in consequence of a refusal of consent."

Nothing was to be found in the order which could justify limiting compensation in the way suggested by the council. Nor was any such limitation to be found in the enabling statute.

His Lordship would reject the council's submission that the loss suffered by Mr Bell as a result of his inability to reclaim his land for agricultural grazing was a consequence of the council's refusal to consent. It was not too remote and was, therefore, recoverable.

In his Lordship's view, the diminution in the value of the land was a natural and probable consequence of the refusal of consent. It was not too remote and was, therefore, recoverable.

Lord Justice Slade and Lord Justice Taylor delivered concurring judgments.

Solicitors: Mr M. G. P. Young, Canterbury; Kingsford, Flower & Pain, Ashford.

No without-prejudice privilege in communications made in furtherance of crime or fraud

Hawick Jersey International Limited v Caplan
Before Mr A. T. May, QC
[Judgment February 26]

Without-prejudice privilege for communications between litigants could not be claimed where it could be shown that there was a bona fide and reasonably tenable charge of crime or fraud and that the communications were made in preparation for or in furtherance of as part of that charge.

Mr A. T. May, QC, sitting as a deputy judge of the Queen's Bench Division, so held in stating upon a procedural point that the cloak of privilege claimed by the plaintiffs did not cover conversations which contained threats by the plaintiffs to further a presumed dishonest purpose.

Mr Charles Douthwaite for the plaintiff; Mr Murray Rosen for the defendant.

HIS LORDSHIP said that the plaintiffs, Hawick Jersey International Ltd, had claimed repayment from the defendant, Michael Caplan, of a loan for £100,000. Caplan was a director, Joseph Goldberg, by means of a cheque dated December 7, 1979.

The cheque was admitted but

the defendant denied that the transaction was a loan because he had supplied £10,000 cash.

The procedural point arose as to the admissibility of transcripts from two conversations, taped without the knowledge of the plaintiffs, between the defendant and the director of the plaintiffs' company on December 12, 1985 and between the defendant and the director's son, Alan Goldberg, for the plaintiffs, shortly afterwards.

In the judgment there was no conclusive view upon the true state of fact, the issue being whether or not material in the transcripts was subject to privilege under the "without-prejudice" cloak.

The defendant submitted that by reason of the content of the transcripts the privilege did not avail the plaintiffs for privilege could not be used as a shield for dishonesty. It was accepted by the plaintiffs that the written transcripts were accurate and in substance correct.

Two themes ran through each conversation. There were assertions and repeated assertions by the defendant that the transaction was not a loan but an exchange for £10,000 in cash. On no occasion did the plaintiffs deny that the defendant said anything but the truth and the

transcripts in fact positively accepted that what the defendant said was true.

The second theme was that if the transaction was not a loan the proceedings were falsely brought; the plaintiffs expressly or impliedly said the proceedings had been brought to persuade the defendant to reach a fairer settlement and to settle other differences.

The transcripts revealed plain admissions by the plaintiffs, the effect of which was to show that the proceedings were brought dishonestly. They also revealed express or implied assertions that nevertheless the proceedings would be persisted with.

It fell plainly within Mr Justice Goff's test in *Butler v Board of Trade* (1971) 1 Ch 680, 689: "What has to be shown *prima facie* is not merely that there is a bona fide and reasonably tenable charge of crime or fraud but a *prima facie* case that the communications in question were made in preparation for or in furtherance of as part of that charge. It is not enough to show that the communications contain threats to further an *ex hypothesi* dishonest purpose and could not be covered by the cloak of 'without prejudice' privilege."

Solicitors: Drucos & Altier; Harris Rosenblatt & Kramer.

Bill of indictment ineffective until it is properly signed

Regina v Morris
Before Lord Lane, Lord Chief Justice, Lord Justice McCowan and Mr Justice Pill
[Judgment March 8]

A bill of indictment preferred in accordance with section 2(2)(b) of the Administration of Justice (Miscellaneous Provisions) Act 1933 by leave of a judge of the High Court, even though bearing his initials, did not become an indictment until it was signed by the proper officer of the court as certifying, in accordance with section 2(1), that he was satisfied that the requirements of section 2(2) had been complied with.

The Court of Appeal so held when allowing an appeal by Carlton Morris from conviction at Snaresbrook Crown Court (Judge Southan and a jury) after a four-day trial last November on counts of supplying heroin to a

co-defendant, Sophia Georgiou, conspiracy to supply a class A drug to persons unknown and possessing 15½gms of heroin with intent to supply. He was sentenced to imprisonment totalling four years.

Mr Philip A. Walker, assigned by the Registrar of Criminal Appeals, for the appellant; Mr Duncan Munro Kerr for the prosecution.

THE LORD CHIEF JUSTICE said that, after the appellant had been convicted and sentenced, the crown court discovered that the bill had not been signed by the proper officer of the court. The matter was referred to the judge who presided at the trial and so had come before their Lordships.

Counsel for the appellant submitted, in brief, no signature, no indictment; no

indictment, therefore, trial invalid.

His Lordship said that, when section 2(1) provided that "where a bill of indictment has been so preferred the proper officer of the court shall, if he is satisfied that the requirements of the next following subsection have been complied with, sign the bill, and it shall thereupon become an indictment and be proceeded with accordingly," it was not merely a comparatively meaningless formality that the proper officer's signature should be appended.

It was, as the words of the Act indicated, a condition precedent to the existence of a proper indictment that the bill should be signed. Only then and

thereupon the bill became an indictment.

Therefore, there was no valid indictment, no valid trial, no valid verdict and no valid sentence. A fresh trial would be ordered before a different judge at Snaresbrook at the earliest possible opportunity.

Solicitors: Crown Prosecution Service, Snaresbrook.

Limit to civil tort of conspiracy

Allied Arab Bank v Hajjar and Others

The decision of the House of Lords in *Lionel Ltd v Shell Petroleum Co Ltd* (No 2) (1982) AC 173 had the effect of restricting the civil tort of conspiracy to those cases where the predominant purpose of the defendants' agreement

was to injure the plaintiff's interests.

Mr Justice Hirst so held in the Queen's Bench Division on March 10 in *inter alia*, striking out a claim for conspiracy to defraud in an action brought by Allied Arab Bank Ltd against Mr Taj El Arefin Hajjar and 54 other defendants.

MR JUSTICE HIRST said

that conclusion seemed to him to be clear on a proper interpretation of the *Lionel* case from the categorical statements of Lord Diplock, particularly when set in the context of his comments on the impossibility of a conspiracy to defraud which was well established in this limited field "however anomalous it may seem today".

There was no valid indictment, no valid trial, no valid verdict and no valid sentence. A fresh trial would be ordered before a different judge at Snaresbrook at the earliest possible opportunity.

European Law Report

Limit to the rights of patent proprietors in EEC under licences of right

Allen and Hanburys Ltd v Generics (UK) Ltd
(Case 434/85)

Before G. Bosco, President of the First and Fifth Chambers, acting as President and Judges J. C. Moitinho de Almeida, G. C. Rodriguez Iglesias, J. M. Kouris, U. Everling, Y. Galmot and C. N. Kakouris
Advocate-General G. F. Mancini
(Opinion December 2, 1987)
[Judgment March 3]

The power of national courts to prohibit the importation of a product which infringed a patent endorsed "licences of right" might only be justified on the ground of protection of industrial and commercial property if such a prohibition was necessary in order to ensure that the proprietor of the patent had the same rights with regard to the product within the territory of the state concerned.

Allen and Hanburys was the holder of a United Kingdom patent for a pharmaceutical product known as "Salbutamol" and had brought proceedings against Generics with a view in particular to preventing the latter from importing into the UK Salbutamol from Italy which it was manufactured by an undertaking having no financial or contractual links with Allen and Hanburys.

Pursuant to article 46 of the Patents Act 1977, the patent held by Allen and Hanburys was deemed to be a "licence of right" under the provisions of the Patents Act 1977, under the relevant provisions, Generics had requested a licence under that patent, from Allen and Hanburys and the Comptroller General of Patents, in particular in order to import Salbutamol into the UK.

However, without awaiting the decision of the Comptroller, Generics informed Allen and Hanburys of its intention to import the product in question. The proceedings reached the House of Lords which stayed the proceedings and referred a number of questions to the Court of Justice of the European

Communities for a preliminary ruling.

In its judgment the European Court of Justice held as follows:

First question
The Court had consistently held that, in as much as it provided an exception, for reasons concerned with the protection of industrial and commercial property rights, to one of the fundamental principles of the Common Market, article 36 admitted of derogations from the free movement of goods only in so far as they were justified for the purpose of safeguarding rights which constituted the specific subject matter of that property.

The specific subject matter of industrial and commercial property included, in particular, the exclusive rights of the patent proprietor to use an invention with a view to manufacturing industrial products and putting them into circulation for the first time, either directly or by the grant of licences to third parties, as well as the right to oppose infringements.

The Apple and Pear Development Council v Commissioners of Customs and Excise (Case 102/86)
Before Judge O. Due, President of the Sixth Chamber and Judges T. C. Koopmans, K. Bahlmann, C. N. Kakouris and T. F. O'Higgins
Advocate-General Sir Gordon Slynn
(Opinion October 28, 1987)
[Judgment March 8]

The supply of services effected for consideration within the meaning of article 2(1) of the Sixth Directive presupposed the existence of a direct link between the service provided and the consideration received.

The Apple and Pear Development Council was a statutory body established in 1966 whose functions related essentially to advertising and the promotion and improvement of the quality of apples and pears grown in England and Wales.

However, in the case where a patent was endorsed "licences of right", the substance of the exclusive rights of the patent proprietor was appreciably altered.

Under the UK legislation, in contrast to the proprietor of an ordinary patent, the proprietor of a patent endorsed "licences of right" could not oppose the grant of such a licence to a third party who applied for a licence in order to manufacture and market the product in question in that member state but he retained the right merely to obtain a fair return.

In those circumstances it had to be considered that the power of national courts to prohibit the importation of the product in question might be justified under the protection of industrial and commercial property only if that prohibition were necessary in order to ensure that the proprietor of such a patent had *vis-à-vis* importers the same rights as he enjoyed against producers who manu-

factured the product in the national territory, that was to say the right to a fair return from his patent.

It had been argued that an injunction prohibiting an importer from importing the product was justified until the patent proprietor had been guaranteed actual payment of sums due to him. That argument could be accepted in the case of a member state where, under the relevant legislation, the fact that manufacturers based in its territory did not have adequate assets could not justify the grant of an injunction against them until they could offer guarantees of payment. For a manufacturer based in the territory of a member state as was the case of the plaintiff, such guarantees of payment could only be included among the terms fixed in the licensing agreement, or in default of an agreement, by the competent national authority.

With regard to the argument that an injunction prohibiting imports might be justified by the difficulty of carrying out checks

on the origin and quantities of goods imported, it had to be borne in mind that it might be difficult to check the quantity of goods marketed even where they were manufactured within the national territory and yet no injunction or interference was possible in those circumstances.

The consideration that an injunction prohibiting imports might be justified in order to enable the patent proprietor to check on the quality of an imported medicine in the interests of public health, had nothing to do with protection of the exclusive rights of the patent proprietor and, therefore, might not be relied upon in order to justify, on the ground of protection of industrial and commercial property, a restriction on trade between member states.

It had therefore to be concluded that an injunction issued against an importer-infringer in the circumstances described by the national court would constitute arbitrary discrimination prohibited by article 36 of the Treaty and could not be justified

on the ground of the protection of industrial and commercial property.

Second question
In answer to the second question it was to be observed that the requirements laid down by the Treaty regarding the free movement of goods applied equally to all the authorities of a member state, whether they were judicial or administrative bodies.

Moreover, no consideration other than those which had been rejected in the examination of the first question had been raised before the Court in order to justify the creation of impediments to imports from other member states when terms were fixed for the grant of a licence.

Third question
In respect of the third question it had been maintained in the proceedings before the court that manufacturers in a member state where pharmaceutical products were not patentable did not have to bear the cost of research, unlike manufacturers in other member states, and

could therefore manufacture in conditions which distorted competition.

That argument could not be accepted. It was sufficient to point out that the right to a fair return granted to the proprietor of a patent subject to a system of licences of right was intended precisely to award the proprietor recompense for the research costs he had incurred.

There were therefore no grounds for drawing a distinction according to whether the product marketed by the third party was manufactured in the national territory or in the territory of a member state where the product was not patentable.

Fourth question
The fourth question asked essentially whether the prohibition on imports might be justified on the grounds of imperative requirements relating to consumer protection and fair trading, as recognized by the court in interpreting article 30.

The Court had consistently held that it was only when

national rules applied without distinction to both domestic and imported products that they did not fall under the prohibition laid down by article 30 of the Treaty if they were necessary in order to satisfy imperative requirements relating in particular to consumer protection for fair trading.

From the findings set out above it was clear that the national legislation relating to licences of right was not applicable without distinction to manufacturers established in the national territory and to importers.

On those grounds, the European Court ruled:
1 Articles 30 and 36 of the Treaty were to be interpreted as precluding the application of a law by a member state from issuing an injunction prohibiting the importation from another member state of a product which infringed a patent endorsed "licences of right" against an importer who had undertaken to take a licence on the terms prescribed by law where no such injunction might be issued in the same circumstances against an importer who manufactured the product in the national territory.

2 Articles 30 and 36 of the Treaty were to be interpreted as precluding the competent authorities of a member state from imposing on a licensee terms impeding the importation from other member states of a product covered by a patent endorsed "licences of right" where those authorities might refuse to grant a licence to an undertaking which would manufacture the product in the national territory and market it there.

3 The replies to the first and second questions were not affected by the fact that the product in question was a pharmaceutical product and came from a state where it was not patentable.

4 A prohibition on importation could not be justified on grounds of imperative requirements relating to consumer protection or fair trading where the national legislation on which it was based was not applicable without distinction to domestic and imported products.

Mandatory subscription to statutory body not a taxable supply

Apple and Pear Development Council v Commissioners of Customs and Excise
(Case 102/86)

Before Judge O. Due, President of the Sixth Chamber and Judges T. C. Koopmans, K. Bahlmann, C. N. Kakouris and T. F. O'Higgins
Advocate-General Sir Gordon Slynn
(Opinion October 28, 1987)
[Judgment March 8]

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The Apple and Pear Development Council was a statutory body established in 1966 whose functions related essentially to advertising and the promotion and improvement of the quality of apples and pears grown in England and Wales.

It was governed by rules laid down in an Order (SI 1980 No 623) which gave the development council the power to impose on growers a mandatory annual charge calculated on the basis of the area of land planted with apple or pear trees, or in certain circumstances, on the basis of the number of trees planted. The charges were levied to enable the development council to meet the expenses incurred by it in the exercise of its functions. The Commissioners of Customs and Excise had adopted a decision which had resulted in the development council being unable to deduct for the purposes of VAT the input tax on services provided to it in connection with its activities funded by that mandatory charge. The development council

THE TIMES FRIDAY MARCH 11 1988

What makes Henderson's nostrils flare at the thrill of the Cheltenham chase

One man a jump ahead of the field



**SIMON
BARNES**

**CHELTENHAM
PEOPLE**

Nicky Henderson was sitting there like a drummer. One foot was tapping out the basic rhythm, the left hand was interweaving taradiddles on the desk, and the right was holding a pen and doodling. I had caught the great man in a moment of relaxation. He was only humming like a dynamo: not like a nuclear reactor at meltdown.

"It's a pressure business, it's a pressure game," he was saying. "And the bigger you are, and the better your horses are, the more pressure there is. And that's why when Cheltenham comes round every year I need another bottle of sleeping-pills to keep sane."

"Do you mean that literally?" I asked.

Henderson has been champion trainer for the last two seasons, was leading trainer at the festival last year and is only 37 now. More than anything, he is known for his three-year conjuring trick with See You Then: he won the Champion Hurdle with the horse (the ambition of a lifetime for any serious trainer) and after that, in the next two years, the horse ran and won four times.

Two of those wins were further victories in the Champion Hurdle: clearly the horse is extraordinary and the trainer a magician. But it is not to happen a fourth time: See You Then broke a leg. He is recovering but will never be ridden again. "He was the horse of a lifetime," Henderson said.

"The horse of a lifetime at 37? What do you do for the rest of your life then?"

"Find another! But by God, it's going to be difficult."

A few minutes before, he had been spitting with fury down a

telephone, his electric blue eyes flashing danger signals as he fumed at one of racing's casual, autocratic injustices that had ruined one of his plans. It seemed a horrible time to pick to try to interview him. Then it was out in the yard, his lovely spacious main yard at Lambourn, and he was talking to the horses with such genuine affection it was startling.

FOOTBALL

A black and white photograph of a man standing in a stable aisle. He is wearing a dark jacket and a flat cap, and is leaning his right arm on the head of a horse. The stable has wooden stalls on either side, and several other horses are visible in the background. The lighting is dramatic, with strong highlights and deep shadows.

And then he was talking affably, thoughtfully and amusingly to me while the pen doodled away furiously. "Some people might think that with 80 horses we are running a kind of factory here. Just a matter of churning them out. But they get like your own kids. They do — and when one of them gets killed, coming back that evening, going out next morning, there is such an eerie feeling about the place."

there are great days and there are desperate days. The really good days make . . . lots and lots of desperate days seem . . . worth it. But we are all obsessed. I know I am. We get up in the morning thinking about it, we think about it all day, and we go to bed at night thinking about it."

Racing is a game full of imponderables but in the final reckoning there are none: the game is, ultimately, utterly quantifiable. "Yes. And you've got to train winners. That is why the nice thing about this year's festival, after the disappointment of See You Then, is the young horses. Our best chances are with the novices: Over The Counter, Rustle and Surfboard. We've got to find new stars coming through: it is nice that this is exactly where our best chances are.

them wins at the festival, you know you've got something to look forward to, something to enjoy for the next five years. That is what is so nice about the jumping game. And I've got some lovely young horses and let us hope there are some Champion Hurdle horses and Gold Cup horses somewhere in the batch."

Racing is all about the next race. A flat racing person *once* told me: "No one who owns an unraced two-year-old ever commits suicide." And Henderson, shrouded with disappointment after See You Then, goes into the festival with a band of promising novices: that fierce tug of optimism drives him on and it intoxicates all racing people. Racing is a perpetual hunger for tomorrow; it is no wonder that sleeping at night can be difficult when you are so eager for the next day.

FOOTBALL

Substitute spurs on Oratory

Schools Football
by George Chesterton
Birchenough had a fairytale success for Oratory against KES Witley. The Oratory centre forward was taken ill in the coach and Birchenough substituted for him. He scored within 90 seconds. Witley came back hard but Oratory made 3-0 in the second half, with Birchenough adding both the goals.

RGS Worcester defeated

Wolverhampton GS Z-U in a closely contested match at Worcester. Martin scored in each half, the first a header from a free-kick and the second which he robbed a defender, drew the goalkeeper out and tapped the ball into the net.

Despite earlier problems with weather, the national school competitions are moving to the final stages. In the Gillen Under 14 trophy, West London United beat 4-1 London City.

Wolverhampton played match to reach the semi-finals for the first time. They will play Havering.

"I hope we get the European title shot after this. Horace deserves it. It is only fair that he gets it." Lawless said. John Morris, the secretary of the British Boxing Board of Control, said that Notice's name had been put forward yesterday for the fourth time.

"Notice is a credit to boxing and the British championship. He is world-rated and he has had a raw deal in Europe. We are writing to the EBU today

Tyson, champion to Tyson. It is 12lb, and two It was crepanc favour the char of a cha and a he would

Why Chitalad

Cambridge, too, had not reached this stage before but they beat Swindon 3-1 and in their semi-final play either Sheffield, who won in 1982 and 1984 or Liverpool.

1984, of the under-19 competition, the last match in region four is between Inner London and Suffolk. The latter beat Kent 1-0 to reach the final. This match is also played for the Corinthian-Casuals Trophy.

Norfolk College of Art and Technology, having beaten St Clement Dane's, Watford, moved to the quarter-final of the Barclays individual school tournament. Millfield are through to the semi-final, having beaten Gosford HS 2-0, both goals being scored by Mitchell. Millfield are also through to the semi-finals of the National Lions Cup.

Attempt to

Circulation managers of five teen magazines may believe that photographs of big fish and the smiling eyes of big fishy sperm leled on almost every other page are great circulation boosters. But Net so, says the editor of the new magazine, Roy Eaton, a quiet, un- intellectual, who says he is a

Sot Chitalada will not be able to duck and dive for much longer if that arch boxing schemer, Mickey Duff, gets his way. The Thai holds the most prestigious of the world flyweight titles, the World Boxing Council version, and like all good champions is doing everything he can to hang on to it.

Duff is sure he can pin the slippery Chitalada down within six months to a contract to accept the challenge of his European champion, Duke McKenzie. Chitalada was supposed to have defended his title against the Croydon boxer last December but influenza stopped him making the trip to London.

Attempt to discourage the overkill

Only three photographs of dead fish appear in the editorial pages of a new fishing magazine *Salmon, Trout and Sea Trout* which is out this month. This is a break with tradition. The lapse is deliberate.

FISHING

discourage the

TENNIS

Wilander is added to seed scrapheap

Ulfandio (Pati) / Wilaender, Boris Becker and Andrea Gomez were all bundled out of the grand prix tournament here on Wednesday night — joining fellow seeds Jimmy Connors and Joakim Nystrom on the sidelines. With only the second round over, the tournament is now precariously short of seeds.

Wilander, of Sweden, the first seed, went out to Jay Berger, of the United States, ranked fifth in the world. Wilander did not win one game in the first set and the American, who played quicker, more inspired tennis than he, won the second 7-5.

The Australian Open champion, appeared to have his mind somewhere other than on court as Berger played from the baseline to win the first seven games before the Swede began to get his game together. "I was not

up for the match and nothing seemed to work," Wilander said.

One hour later Andrei Chesnokov, of the Soviet Union, beat Gomez, the fifth

Ragazzi, of the United States, the eighth seed, beat Ramesh Krishnan, of India, in two sets.

RESULTS: Second round: J. Berger (US) 6-1, M. Wilander (Swe), 6-0, 7-5; M. Meiri (C2) 6-1, T. Smid (C2), 6-2, 7-6; A. Chesnokov (USSR) 6-1, A. Gomez (EC), 3-6, 6-1, 6-3; M. K.

seed. Though the Ecuador player took the first set he gave up the next two 6-1, 6-3 with

VOLLEYBALL

Newton's cup theory

If Liverpool City can win the Royal Bank Men's Knockout Cup for the first time by beating Malory, the holders, at Crystal Palace on Sunday, few will begrudge their captain, Phil Ntotos, his promotion to the first

The utility player, who has won over 140 caps for England, has been one of the stalwarts of the English game over the last 10 years but has seldom tasted success at club level.

SCHOOLS RUSHY

SCHOOLS RUGBY ens events overlap

By Michael Stevenson

On Sunday, Woodhouse Grove won the Newark Sevens, beating Nottingham HS B 40-0 in the final. Nottingham's A side were defeated earlier in the tournament.

coaching and training session on March 18 and 19, prior to selection of the side to meet France on April 2 at La Rochelle.

There is also a busy and flourishing preparatory schools sevens circuit, in which Maltese have done particularly well this spring. They have won tournaments at Sedburgh, Ampleforth and Rossall. The only match they have lost is to

Terra Nova, to fast was at efficient Cavalry Hall side, whom they had previously beaten 14-12 in the Rossall semi-final.

● Following the final trial at Northdown HS on Saturday, the England 18 group of players have whittled contenders down from 33 to 28. This squad will meet at Bisham Abbey for a

ULSTER BANK SCHOOLS' CUP: Semi-finals: Coleraine all 15, Royal School, Dungannon 16; Banbridge 17, Omagh Academy 4.

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(Michael Phillips)

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Luciano wears the Pelé shirt

By Andrew Longmore

It was a strange place to be looking for the next Pelé. Beaconsfield FC, with its wooden huts and muddy pitch, is not the Maracana Stadium at the best of times. But the names wearing the famous gold and blue warmed the hearts even if the cold, clear afternoon did not. Alberto, Emerson, Moises, Gancho, Luciano and 13 others besides, all members of the Brazilian under-15 squad, who arrived for the first tour to England ever undertaken at this level.

Only hours after stepping off the plane after a 10-hour journey and a 20°C drop in temperature, the Brazilians were going through a gentle routine in preparation for the opening match of their tour tomorrow at Wembley.

A little jogging and a five-a-side marked by the staccato rhythms of South America proved that skill, whatever the age, travels well. And at the heart of much of the skill, as of Brazilian teams for decades past, the No. 10 shirt — the number of Pelé, Zico and Rivelino, and the most coveted number in Brazilian football.

For the next three weeks that shirt will be worn by a dusky 14-year-old from the town of Campinas, Luciano is the son of a professional footballer. He lives next to a football pitch and first kicked a ball at the age of three.

"It is an honour to be given the No. 10 shirt; it always weighs a bit more than the others," he said. "My ambition is to get to the top. The wheels are just starting to turn."

Luciano knows little about English conditions and the English style. Only what he has seen on television. "I know Lineker because of his goals and, of course, I remember Barnes — his goal against Brazil," he said.

Luciano started with his club at the age of 10. The Brazilian clubs get their young — some start playing for professional clubs as early as six. Gancho, the captain and goalkeeper, shakes his head sadly. He only joined Flamengo at 12. All the boys are attached to clubs because there is no schoolboy football in Brazil.

Though they have little or no idea of what to expect — they only brought rubber-soled boots and had to be kitted out with studded ones yesterday — they did seem to have some idea of the English game. While in one half of the pitch the five-a-side continued: of left-foot and scarcely a ball one inch off the ground. In the other half, the two goalkeepers practiced catching the high ball. The English style? "Yes," Gancho said, beaming.

And Luciano? Was he looking forward to Wembley? "Very much. I would like to score a goal like Barnes — only making it look a bit better."

Total police bill could be given to football clubs

By John Goodbody

The Hampshire Police Authority is considering a proposal that Portsmouth, Southampton and Aldershot football clubs should pay the complete charges of controlling League matches and not just the costs of stationing officers inside the grounds.

Bills have increased this season because of the need to contain potential football hooliganism with the promotion of Portsmouth to the first division and of Aldershot to the third.

It is a sign of the mounting impatience in both central and local government at the rise in costs and, if applied across the Football League, could result in a total of at least £10 million extra having to be found by the clubs.

However, Ted Mason, the Assistant County Secretary with Hampshire Council, said yesterday: "This is only a proposal but there is a report being prepared on these lines. Hampshire would not take unilateral action. We would have to consult with the Association of Chief Police Officers and the Association of County Councils. Every-

thing would have to be co-ordinated."

At the moment the clubs pay only for policing inside the ground. Last season, this was a total of £3.65 million, a 16 per cent rise on the previous year and an average of just over 16p per supporter per match. The clubs paid 65 per cent of this figure and the Football Trust, which is funded by Littlewoods, Vernons and Zetters, the remaining 35 per cent.

However, the cost of policing away from the ground is met entirely by the taxpayer. This covers the control of city centres and railway stations, and also the activities of the British Transport Police.

Mason said the levels of policing were "significantly higher" than last year in Hampshire because of the promotions of Portsmouth and Aldershot and a "disproportionate number of difficult matches in the early part of this season."

The total policing bill for the financial year March 1986-87 was £461,914, but from April 1987 to December 1987,

the latest date available, the cost was already £400,054.

Mason explained that there was no "down" on Portsmouth, who now owe the Hampshire Police Authority £7,083 for policing duties at Fratton Park, but that like all public bodies it was trying to increase its income.

He added: "Some people will ask why football should be penalized. After all, CND rallies, blood sports and horse-racing can also require large numbers of police. This all raises significant implications for authority."

Brian Davies, the Assistant Chief Constable of Hampshire, said: "Things that happen outside a private ground have always been regarded as problems that are to be handled by the public sector."

"Football is more emotive because there are more public order circumstances. Some people say that where one organization cause the problems they should be made to pay for them."

But he added that any attempt to charge clubs for the policing away from the ground would be "a drastic departure" of standard practice. "As a police body it is not something that we have instigated or can comment upon," Davies added.

● Notts County have joined Mansfield Town in disputing the policing charges inside the ground for matches.

THE COST OF POLICING

Costs of the Police bill for Portsmouth, Southampton and Aldershot Football Clubs

	Total cost	Clubs' bill	Taxpayers' bill
March 1986-March 1987	£461,914	£116,472	£345,442
March-December 1987	£400,054	£87,166	£312,888

O'Leary is ready to return

David O'Leary is ready to return to Arsenal's side for the FA Cup sixth round tie against Nottingham Forest at Highbury tomorrow.

The Republic of Ireland international centre-half has been troubled by an Achilles tendon injury but said yesterday: "It's fine now. I have trained all week without any problems."

Brian Clough is demanding an improved performance from his players, even though they won 1-0 at Sheffield Wednesday last Saturday. The Forest manager's one injury

doubt is the goalkeeper Steve Sutton, who has had flu.

Manchester City expect their talented utility man, Paul Lake, to shake off a knee injury in time for Sunday's live televised match with Liverpool.

Dennis Wise, the Wimbledon forward, is standing by to return at home to Watford, but the former England winger, Laurie Cunningham,

could miss the match. Wise is available again after completing a two-match suspension but Cunningham is doubtful with a foot injury.

The Portsmouth manager, Alan Ball, has named the side beaten by Liverpool a fortnight ago for the visit to Luton Town. Whitehead is out with the thigh muscle injury he suffered in the last round and Gilbert, who took over from him at full back a fortnight ago in the defeat against Liverpool, will continue in the role.

Luton are hoping that their forward, Brian Stein, will be able to play despite breaking his wrist in the Simod Cup semi-final victory over Swindon Town. Luton may have to ask for an extension to their season. They are already seven League games behind their fixture list — two games lost to bad weather and five to cup commitments — and it will be eight if they beat Portsmouth tomorrow.

Success in the Simod and Littlewoods Cups means that Luton's secretary, Bill Tomlinas, has had problems finding new dates for postponed games.

Foster profile, page 39

Javer allowed to play for Britain

From Barry Wood, Boca Raton, Florida

Monique Javer, who was born and raised in the San Francisco area of California, has received permission from the International Tennis Federation to represent Great Britain. The decision is based on the fact that her mother, Anne, is British, and Javer, aged 20, holds a British passport.

Ranked No. 164 in the world, Javer would be ranked fifth in Britain, based on the end-of-year computer listings from which the rankings are drawn. That places her above Clara Wood, Valda Lake, Julie Salmon and Teresa Catlin, all of whom are members of the Lawn Tennis Association Challenger squad.

While studying at San Diego State University before turning professional in September last year, Javer won 35 of her 38 matches for the university last spring. She was also a member of the United States junior Federation Cup team.

"I have been careful not to accept any chance to play for the United States so that I wouldn't damage my eligibility to play for Britain," Javer said in Miami, where she is hoping to qualify for the Lipton International Players' Championship.

Meanwhile, in the Virginia Slims of Florida tournament here, Steffi Graf reached the quarter-finals by defeating Nathalie Tauziat 6-2, 6-1.

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Gripping start: there is no escape for Wilcox, Oxford University, in the first women's rugby union match against Cambridge University. Report page 39 (Photograph: Hugh Routledge)

Scare over Gold Cup favourite

Kildimo, the Cheltenham Gold Cup favourite, has suffered a setback, a week before the big race.

After working on Tuesday, Kildimo returned lame in the right hind, but Toby Balding, his trainer, describes the injury as a "minor strain" and remains confident his heavily-backed horse will take his place in the big race next Thursday.

The problem has been diagnosed as semi tendinitis, but Kildimo has made rapid improvement in the past couple of days.

Balding, who trains at Weyhill, said: "We have given him electric-pulse treatment, and, thankfully, he was sound this morning. However, an injury like this is the last thing we wanted just a week before the Gold Cup."

"Provided he can canter on Sunday and work on Monday, he will take his place in the Gold Cup field fit and fancied. Another bulletin will be issued on Monday."

In contrast to Kildimo, Playschool sparked in a two-mile workout after racing at Wincanton. Looking magnificent in the evening sunshine, Playschool was ridden by jockey Paul Nicholls in a workout, alongside stable companion Ever Hopeful.

His trainer, David Barons, was delighted and said: "Playschool is bunny — this will get his adrenaline going. All we need now is a drop of rain before Cheltenham."

William Hill immediately extended Kildimo's price from 3-1 to 9-2. Their revised prices on the other contenders are: 4-1 Playschool, 5-1 Napsall, 11-2 Forgive 'N Forget, 8-1 Carvies Clown, Ladbrokes offer Kildimo at 9-2 with a run.

Racing, page 37

McGuigan plans his title course

By Srikanth Sen, Boxing Correspondent

Barry McGuigan, the former world featherweight champion, aims to bring the world title back to Ireland. He will box Azumah Nelson from Ghana, the World Boxing Council super featherweight champion, in Belfast in July if his two warm-up bouts go according to plan.

Speaking at a news conference at an hotel in Grosvenor Square, London, McGuigan said: "I don't mind who I fight for the world title. Azumah Nelson or Rocky Lockridge, but I want to fight nowhere else but in Belfast. I owe a lot to the people of Belfast."

McGuigan, who has not boxed for 20 months and now has considerable business interests and is managing director of a transport company, warned that he would not go through with the world title bout if he did not feel himself fully prepared for it.

"Nelson is a great champion and I'm under no illusions. The money has got to be right

and I have got to be prepared. If I'm not satisfied with preparations I won't fight," he said.

His first bout will most likely be against Tommy Cordoba, of the United States, at Alexandra Pavilion, north London on April 20. Cordoba is thought to be a good opponent, having been the distance with Lester Ellis, of Australia. Two other names, Thomas De Cruz, of Brazil, and Geron Fornas, of Puerto Rico, are being considered by McGuigan. No opponent has been named for a second contest.

Frank Warren, McGuigan's new manager, said: "We could not go to Belfast for the first fight because we were pressed for time but we will make every effort to hold the next two there."

McGuigan said that he had been in training since November. "I am feeling better than ever before," he said. "But at the moment I am 7lb over the limit."

Harris marches on

Paris — The entry of Del Harris, the young British champion, upon the international squash stage assumed an increasingly interesting pattern after yesterday's win in the second round of the French Open championships, over Australia's Rodney Eyles (Colin McQuillan writes).

Harris won 10-15, 17-16, 15-13 in 63 minutes having dismissed the world No. 7, Ross Thorne, in the first round. The pattern comes from his having similarly dismissed Thorne in last week's Spanish Open in Madrid and then beating another

Australian, young Adam Schreiber, to reach the quarter-finals. Today Harris meets Chris Dittmar, the world No. 3, to whom he lost in Canada recently. "I hope for a better result here," he said.

RESULTS: Men: Second round: Jansher Khan (Pak) bt M Boonmadee (Eng), 15-9, 15-9, 15-7; C Dittmar (Aus) bt J Jansen (Pak), 15-9, 15-12, 15-2; D Harris (Eng) bt R Eyles (Aus), 15-17, 16-17, 15-13; U H Khan (Pak) bt R H Hoo (Aus), 15-8, 15-8; R Norman (NZ) bt P Kenyon (Eng), 15-13, 15-8, 15-12; C Robertson (Aus) bt S Halstead (Scot), 15-10, 15-10; Women: First round: S Dewry (NZ) bt C L Gordon (Pak), 15-12, 15-12, 15-17; M L McQuillan (Eng) bt D Drady (Aus), 15-11, 15-12, 15-10; A Cummins (Eng) bt C Goss (Pak), 15-11, 15-8, 15-12; E Irving (Aus) bt M Warren-Hawkins (Eng), 15-11, 15-11, 15-11; R Best (Eng) bt R Lambourne (Aus), 15-13, 15-15, 15-7.

SPORT IN BRIEF

Warren to take action

Frank Warren is planning legal action after being told he cannot go ahead with a Commonwealth welterweight title contest involving George Collins and Wilf Gentzen, of Australia, on March 29.

Rival promoter Mike Barrett has signed Gentzen to meet Gary Jacobs in Glasgow a fortnight later. The Commonwealth Federation championship committee has sanctioned the Barrett bout, but Warren said he is intending to seek an injunction in the hope of holding his show.

Entry hitch

Club athletes entered for the Reading and Oxford half marathons next month could face suspension unless the organizers and the Amateur Athletic Association (AAA) resolve an entry-fee dispute. The organizers are refusing to pass on to the AAA part of the fee for unaffiliated runners.

Lendl injured

Key Biscayne (AFP) — Ivan Lendl has broken a bone in his right foot and will be out of tennis for between four and six weeks, organizers of the Key Biscayne tournament said here yesterday.

Rounds row

Trevor Callaghan, the manager of Tom Collins, the European light-heavyweight boxing champion, both risk disciplinary action from the British Boxing Board of Control if the world title bout with Charles Williams, of the United States, goes ahead in Dublin on April 2 over 15 rounds instead of 12.

Games quest

Delhi (AFP) — The Indian Government has backed a bid by the Indian Olympic Association to host the 1994 Commonwealth Games in Delhi. A formal application will be made on Monday.

Killy returns

Paris (Reuters) — Jean-Claude Killy, the French skier, who won three gold medals at the 1968 Winter Olympics has rejoined the organizing committee for the 1992 Games in Albertville after an absence of fourteen months.

END COLUMN

Only the best of referees will do

By Gerald Davies

Rugby football has shown its infinite capacity to be high-flying to glory one moment, only to collapse like a deflated balloon a fortnight later. The trumpets sounded three weeks ago at Parc des Princes and Cardiff Arms Park, as they had done elsewhere up until then, while last Saturday Lansdowne Road and Murrayfield might have echoed more to the sound of the raspberry.

That a game should be a good one depends largely on the players' approach: the competitive need to win balanced with an attitude which leans towards a generous view on how the game should be played. In all this, of course, there is a major role for the referee to play.

And while the controlling bodies cannot immediately influence the players, nor can they impose their will on the way the game is played, they can, however, bring their influence to bear on those who officiate. The time has come once more to review the procedures by which referees are chosen for international matches.

Having attended the one, missed the other, but read and heard the many reports on both matches last weekend, I gather there was a broad view, which concluded that neither referee had come up to the expected scratch. Both games would have appeared to have suffered and herein lies the problem.

The best are not always chosen

The referees, like the players, it must be admitted, cannot always be expected to be on top of their form but their difficulty is compounded by the present system of selecting referees because it is not necessarily the best referees who are in charge of the international matches.

It took until 1979-80 for the International Rugby Board to accept the principle of neutral referees — with respect to national boundaries and not their competence — throughout the world, even though officials of the matches in the five nations' championship had always been so. The next step may prove to be as difficult as the first, though one hopes it will take nowhere near so long to conclude. And that is to ensure that the best referees should officiate at all international matches.

Up until the 1978 championship the referees for each match were invited by mutual agreement between the two countries involved. In that year the rota system began because the previous year England had invited Norman Sanson to referee their match against France but the French refused, for whatever reason, to accept him. Jeff Kelleher, from Wales, who was meant to be touch judge for the day, was subsequently asked to take over.

In 1978 the rota system, as currently established, began whereby each country submits a list of three which, with the inclusion nowadays of a southern hemisphere referee, makes a total of 16 to look after 16 matches. The IRB then allocates the games and the separate unions are asked to provide the referee.

Buggins's turn implicit in rota

So that, for instance, the Welsh Rugby Union and the Scottish Rugby Union were allocated the games at Murrayfield and Lansdowne Road respectively last week and asked to choose the referees to be on duty. Both of last week's referees had been graded third in their own domestic listings. Implicit in the rota system is the ordering of Buggins's turn: to share out as evenly as possible the rewards so as to keep everybody happy rather than sharply on their toes. Such an approach may appear behind closed doors but it is not so in the glare of the international arena. There is a good deal at stake for all concerned.

If the best players are chosen, the same principle should apply to the officials. Putting a player on rota is as easy option to avoid making a hard decision. To put him in such a position of knowing a predetermined allocation can hardly give him a lot of incentive. Standards should be set and maintained for referees at international level or the game will suffer. This cannot be achieved unless a pecking order is drawn.

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Fulham bound

Nick Elgar, of Hull, aged 19, a former English schoolboy Rugby League second row forward, is to join Fulham on loan for the rest of the season.

Muller move

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Royal

